Health Care Chief Executive

Heidrick and Struggles

Consultants in Executive Search

About This Study

Heidrick and Struggles conducted this study of health care chief executives to contribute to a better understanding of leadership in health care today.

Nationwide participants manage 1,159 non-federal, short-term, acute care hospitals and systems with bed capacities of 300 or more. Responses were received from 37.4 percent of the sample selected.

Heidrick and Struggles is grateful to the health care executives who took the time and effort to make this study possible.

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Introduction

Four years ago Heidrick and Struggles undertook what is thought to be the first major study of U.S. health care chief executives. That study yielded interesting and relevant statistics profiling the typical health care executive, his opinions on the industry, and his work within the health care world.

The document you are now reading represents an update of the original work. It details how today's typical health care chief executive has changed, yet in many ways has remained the same, as those CEOs surveyed in 1985.

For example, while the typical responding chief executive still agrees that his satisfaction with career progress is "very high," only 54.3 percent agree today versus 69.7 percent in 1985. On average, today's hospital and system chief executive hopes to be working in the same position in five years.

Today's typical health care executive enjoys higher cash compensation for his efforts on the job. Average base salary is up 19.4 percent from that of the average respondent in 1985. However, given the confidentiality of this survey, it's impossible to compare exactly the same participants for the two periods.

Today's health care leader faces ever-increasing pressure to keep a positive financial bottom line while coping with a more competitive marketplace and such issues as nursing and technical staff shortages, obtaining new or replacement capital, and governmental interference. Perhaps due to these competitive pressures, today's executive is devoting much less time to external affairs than did his counterpart in 1985.

The statistics show a workforce of well-educated, experienced executives who possess the needed strengths to successfully lead our nation's health care organizations.

We believe you will find the information in these pages interesting and relevant to your careers and to the industry you are helping to shape.

Michael D. Caver
Managing Partner
Health Care Practice

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Highlights

The typical health care chief executive in our study:

- ☐ Is a 49-year-old white Protestant male, married to his first wife
- ☐ Holds an advanced degree
- ☐ Earns an average annual base salary of $150,000
- ☐ Has worked for four employers during his career
- ☐ Devotes 60 hours a week to work and spends 25 percent of this time on external affairs
- ☐ Feels his organization's financial performance is sufficient to obtain needed new or replacement capital in the future
- ☐ Believes that staffing shortages have not affected the quality of care in his organization
- ☐ Hopes to hold his current position in five years and rates his career satisfaction as "very high"
- ☐ Thinks 11 percent of U.S. hospitals will fail in the next five years

Ownership and Type of Institution(s)

Four of five (81.4 percent) responding health care executives are employed by not-for-profit organizations. Only 3.3 percent are employed by for-profit organizations.

Typical respondents in the Midwest, Southwest, and West work for an institution which is part of a multi-hospital system. Their counterparts in the East and South are characteristically employed by independent organizations.

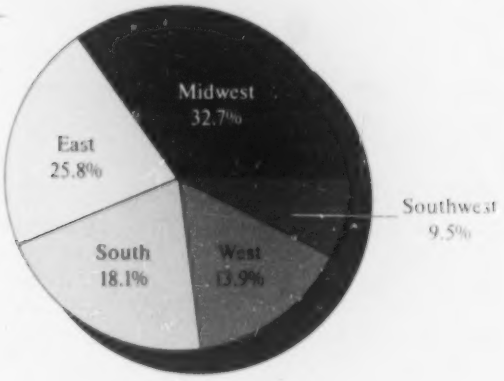
Among participants leading religious affiliated institutions, 62.3 percent are employed by a Catholic organization. In the South, the organization most frequently has a Baptist affiliation (45.0 percent).

Type of Organization

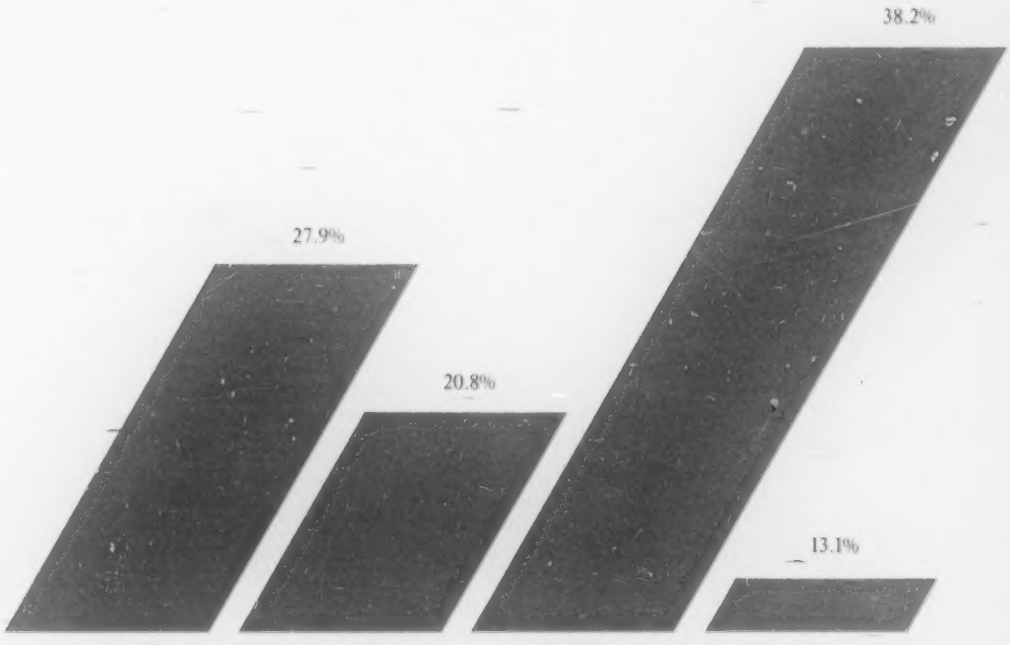
	Number of Beds				
	Total	*300–399*	*400–499*	*500–999*	*1000+*
Privately owned non-university affiliated teaching hospital	37.4%	27.4%	35.2%	47.8%	34.6%
Community hospital (non-teaching)	28.4	48.7	35.2	15.7	7.7
Privately owned university teaching hospital	10.2	9.4	8.0	13.2	7.7
Publicly owned university affiliated teaching hospital	8.3	7.7	8.0	9.5	5.8
Multi-hospital system	5.5	0.8	1.1	2.5	30.8
Publicly owned non-university affiliated teaching hospital	4.7	1.7	8.0	6.3	1.9
Community teaching hospital	1.2	1.7	1.1	0.6	1.9
Other	4.3	2.6	3.4	4.4	9.6
	100.0%	100.0%	100.0%	100.0%	100.0%

Location

One-third (32.7 percent) of responding health care executives are located in the Midwest. Another one-fourth (25.8 percent) are employed in the East.



Size of Institution



Recent Reduction in Staffed Beds

Twenty-five percent of the respondents indicate their institutions have reduced the number of staffed beds during the past year. The average reduction is 13.2 percent.

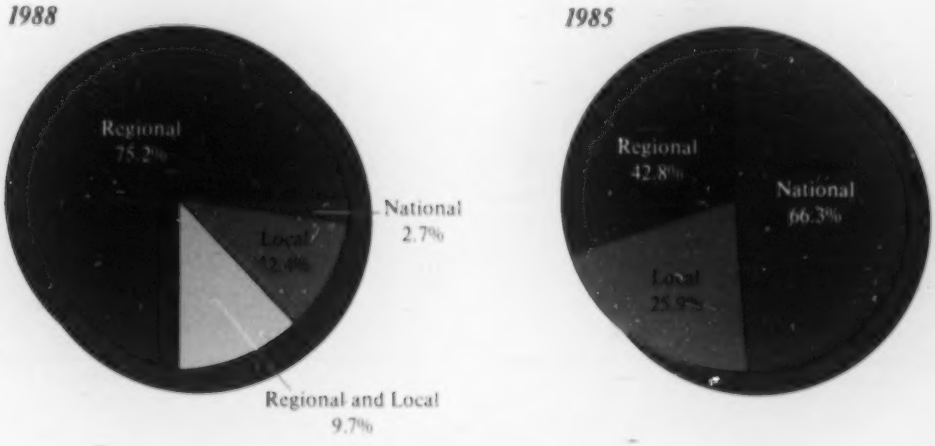
Percent of Staffed Bed Reduction	*Total*	*Type of Institution*				
		Public university affiliated teaching hospital	Private university teaching hospital	Public non-university affiliated teaching hospital	Private non-university affiliated teaching hospital	Community hospital (non-teaching)
Less than 10	38.9%	80.0%	50.0%	42.9%	39.0%	26.6%
10–14	29.6	0.0	33.3	14.3	26.8	40.0
15–19	13.9	10.0	0.0	14.3	14.6	20.0
20–24	9.3	0.0	0.0	28.5	12.2	6.7
25–29	2.8	10.0	0.0	0.0	2.5	0.0
30–34	0.9	0.0	16.7	0.0	0.0	0.0
More than 34	4.6	0.0	0.0	0.0	4.9	6.7
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	13.2	8.7	11.8	11.1	13.1	14.4

	Number of Beds			
	300–399	*400–499*	*500–999*	*1000+*
Less than 10	41.2%	20.8%	47.2%	46.1%
10–14	29.4	37.5	25.0	30.8
15–19	14.8	16.7	8.3	15.4
20–24	5.9	12.5	13.9	0.0
25–29	2.9	4.2	2.8	0.0
30–34	2.9	0.0	0.0	0.0
More than 34	2.9	8.3	2.8	7.7
	100.0%	100.0%	100.0%	100.0%
Mean	12.3	16.8	11.1	14.6

Not-for-profit Networks

Seventy-six percent of the respondents indicate their organization participates in a network of not-for-profit hospitals. While the percentage participating in networks has remained constant since the 1985 study, there has been a notable shift from national group membership to regional networks today. Only 2.7 percent of respondents note participation in a national network today versus 66.2 percent in 1985. Regional membership has increased from 42.8 percent in 1985 to 75.2 percent today.

Two-thirds (65.5 percent) joined or remained a member of an alliance. Four-fifths (80.6 percent) of those in the South are alliance members.



Title

Two of five participants hold the "President and CEO" title. Another 31.0 percent indicate having the title of "President."

Fifty-nine percent of those respondents from organizations of 1,000+ beds hold the title of "President and CEO." Half of those heading privately owned teaching hospitals without university affiliation (49.7 percent) report having this designation.

		Type of Institution				
	Total	Public university affiliated teaching hospital	Private university teaching hospital	Public non-university affiliated teaching hospital	Private non-university affiliated teaching hospital	Community hospital (non-teaching)
President and CEO	42.3%	8.8%	35.0%	35.0%	49.7%	40.7%
President	31.0	2.9	32.5	25.0	33.1	37.3
CEO	10.6	23.5	15.0	20.0	7.6	8.4
Executive Director	5.5	20.6	5.0	5.0	3.2	5.1
Administrator	5.2	11.8	7.5	10.0	3.2	5.1
Executive VP	1.9	0.0	2.5	5.0	1.3	3.4
Hospital Director	1.9	20.6	2.5	0.0	0.0	0.0
Other	1.6	11.8	0.0	0.0	1.9	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Governance

Three of five (62.8 percent) responding health care chief executives indicate they are voting members of their organization's governance board. Three-fourths (75.4 percent) of the participants feel it is likely they will continue to serve on or be appointed to their hospital governing board within the next two years.

Current Position and Employer

The typical respondent has held his current position 6.6 years. Nineteen percent of the participants report retaining the same post for more than 10 years.

Regionally, average tenure in current positions is highest in the South at 7.7 years and lowest in the West at 5.4 years. Average tenure in the East is 7.6 years, 6.0 years in the Midwest, and 5.5 years in the Southwest.

Respondents' tenure with their current employer averages 10.7 years.

Years in Current Position	*Total*	*Type of Institution*				
		Public university affiliated teaching hospital	Private university teaching hospital	Public non-university affiliated teaching hospital	Private non-university affiliated teaching hospital	Community hospital (non-teaching)
Less than 2	17.9%	23.5%	11.6%	21.1%	16.7%	21.4%
2–3	24.9	23.5	20.9	15.8	28.8	21.4
4–5	20.5	11.8	25.6	15.8	23.1	19.7
6–10	17.2	29.4	16.3	21.1	16.0	11.1
11–15	8.2	8.8	9.3	10.5	6.4	10.2
16–20	5.4	0.0	9.3	10.5	3.8	7.7
21–25	4.2	3.0	4.7	5.2	2.6	6.8
More than 25	1.7	0.0	2.3	0.0	2.6	1.7
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	6.6	5.7	7.6	7.6	6.1	7.4

Annual Base Salary

As might be expected, annual base salary correlates with the number of beds in the organization. Compensation ranges from an annual average of $127,000 for leaders of organizations with 300–399 beds to $204,000 for those in organizations with 1,000+ beds.

1988 Annual Base Salary

	Number of Beds				
	Total	*300–399*	*400–499*	*500–999*	*1000+*
Less than $70,000	0.7%	1.7%	0.0%	0.7%	0.0%
$70,000–89,999	5.2	8.6	3.6	4.1	2.0
$90,000–119,999	20.2	27.6	25.0	12.3	14.3
$120,000–159,999	38.4	49.1	47.6	34.9	10.2
$160,000–199,999	21.7	8.6	20.2	34.3	18.4
$200,000–229,999	7.2	2.6	2.4	7.5	26.5
$230,000–249,999	1.8	0.9	0.0	1.4	8.2
$250,000–299,999	3.0	0.9	1.2	4.1	8.2
More than $299,999	1.8	0.0	0.0	0.7	12.2
	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	$150,000	$127,000	$137,000	$158,000	$204,000

1988 Annual Base Salary

	Type of Institution				
	Public university affiliated teaching hospital	Private university teaching hospital	Public non-university affiliated teaching hospital	Private non-university affiliated teaching hospital	Community hospital (non-teaching)
Less than $70,000	0.0%	2.3%	0.0%	0.0%	0.9%
$70,000–89,999	15.2	2.3	0.0	2.8	7.0
$90,000–119,999	48.5	20.9	23.5	15.5	16.6
$120,000–159,999	24.2	20.9	47.1	40.8	55.3
$160,000–199,999	9.1	28.2	11.8	26.8	16.6
$200,000–229,999	3.0	2.3	17.6	9.9	1.8
$230,000–249,999	0.0	4.7	0.0	1.4	0.9
$250,000–299,999	0.0	16.3	0.0	1.4	0.0
More than $299,999	0.0	2.3	0.0	1.4	0.9
	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	$116,000	$170,000	$149,000	$154,000	$139,000

1985 Annual Base Salary

		Number of Beds			
	Total	*300–399*	*400–499*	*500–999*	*1000+*
Less than $70,000	2.6%	2.4%	1.8%	4.2%	0.0%
$70,000–89,999	13.0	25.6	12.3	5.3	5.9
$90,000–119,999	32.6	48.8	36.8	26.3	5.9
$120,000–159,999	36.3	17.1	40.3	52.6	29.4
$160,000–199,999	10.8	4.9	7.0	9.5	32.3
$200,000–229,999	2.2	1.2	0.0	2.1	8.8
$230,000–249,999	1.1	0.0	1.8	0.0	5.9
$250,000–299,999	0.7	0.0	0.0	0.0	5.9
More than $299,999	0.7	0.0	0.0	0.0	5.9
	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	$125,600	$104,800	$119,900	$127,900	$177,800

1985 statistics for type of institution are not available.

Cash Bonus

Sixty percent of responding executives receive no cash bonus. Of those who do, the average bonus is $28,000.

1988 Cash Bonus

		Number of Beds			
	Total	*300–399*	*400–499*	*500–999*	*1000+*
Less than $4,999	3.9%	4.8%	6.1%	4.0%	0.0%
$5,000–9,999	16.3	26.2	21.2	14.0	0.0
$10,000–14,999	9.2	11.9	9.1	8.0	3.8
$15,000–19,999	13.1	16.7	15.1	4.0	23.1
$20,000–49,999	39.9	33.3	42.4	48.0	30.8
$50,000–74,999	11.8	7.1	6.1	16.0	19.2
$75,000–99,999	3.9	0.0	0.0	6.0	11.6
$100,000–119,999	0.6	0.0	0.0	0.0	3.8
More than $119,999	1.3	0.0	0.0	0.0	7.7
	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	$28,000	$20,000	$19,000	$31,000	$51,000

	Type of Institution				
	Public university affiliated teaching hospital	Private university teaching hospital	Public non-university affiliated teaching hospital	Private non-university affiliated teaching hospital	Community hospital (non-teaching)
Less than $4,999	20.0%	0.0%	0.0%	6.1%	2.3%
$5,000–9,999	40.0	0.0	16.7	15.2	21.0
$10,000–14,999	20.0	0.0	0.0	13.6	9.3
$15,000–19,999	20.0	10.0	16.7	12.1	16.3
$20,000–49,999	0.0	50.0	66.6	40.9	39.5
$50,000–74,999	0.0	20.0	0.0	10.6	7.0
$75,000–99,999	0.0	20.0	0.0	0.0	2.3
$100,000–119,999	0.0	0.0	0.0	0.0	0.0
More than $119,999	0.0	0.0	0.0	1.5	2.3
	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	$9,000	$43,000	$20,000	$24,000	$27,000

1985 Cash Bonus

	Number of Beds				
	Total	*300–399*	*400–499*	*500–999*	*1000+*
Less than $4,999	51.6%	61.7%	59.5%	42.8%	34.8%
$5,000–9,999	12.1	17.0	16.2	10.2	0.0
$10,000–14,999	10.8	6.4	10.8	14.3	13.0
$15,000–19,999	7.0	6.4	5.4	6.2	13.0
$20,000–49,999	14.7	8.5	5.4	24.5	21.8
$50,000–74,999	3.2	0.0	2.7	2.0	13.0
$75,000–99,999	0.0	0.0	0.0	0.0	0.0
$100,000–119,999	0.6	0.0	0.0	0.0	4.4
More than $119,999	0.0	0.0	0.0	0.0	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	$9,600	$5,400	$5,700	$11,200	$21,700

Perquisites

An automobile, total health insurance, extra life insurance, and tax-sheltered annuities are perquisites awarded to the majority of responding health care chief executives. Half of the respondents of 1000+ bed organizations also receive travel for spouse as well as country and town club memberships.

	Number of Beds					1985
	Total	*300–399*	*400–499*	*500–999*	*1000+*	*Total*
Automobile	68.0%	72.9%	59.1%	68.6%	70.4%	84.9%
Total health insurance	67.8	65.3	63.6	69.8	72.2	NA
Extra life insurance	63.3	61.0	71.6	57.2	72.2	68.5
Tax-sheltered annuity	61.4	55.9	62.5	66.7	59.3	50.7
Spouse travel	46.6	49.2	43.2	45.3	50.0	51.7
Country club membership	43.8	43.2	46.6	41.5	50.0	NA
Town club membership	42.1	27.1	39.8	49.1	59.3	NA
Auto allowance	32.0	30.5	33.0	31.4	35.2	31.8
Deferred compensation	31.5	31.4	28.4	32.1	37.0	30.5
Financial counseling	24.5	15.3	19.3	28.9	40.7	24.0
Low-cost loans	6.4	5.1	5.7	7.5	7.4	14.4
Stock options	4.2	3.4	4.5	3.1	7.4	2.7
Stock purchase plan	2.6	2.5	2	2.5	3.7	2.7
Performance shares	0.9	0.8	1.1	0.6	1.9	0.7
Other	4.2	1.7	4.5	4.4	9.3	8.2
None of the above	1.9	3.4	0.0	1.9	1.9	2.4

Results do not add to 100% due to multiple responses.
NA: Not available

Employment and Severance Agreements

As in 1985, the majority of respondents do not have an employment contract. However, the percentage reporting contracts has increased by 7.5 percent.

Health care executives characteristically have severance agreements with the exception of those employed by 500–999 bed organizations. Participants who have such agreements receive an average of 14 months severance pay.

Chief executives of 1000+ bed institutions report agreements providing an average of 16.7 months severance. Regionally, executives based in the East receive the most generous severance agreements, averaging 16.04 months.

Do you have an employment contract?

	Total	*Number of Beds* 300–399	400–499	500–999	1000+
1988					
Yes	43.4%	47.9%	43.8%	42.5%	40.0%
No	56.6	52.1	56.2	57.5	60.0
	100.0%	100.0%	100.0%	100.0%	100.0%
1985					
Yes	35.9%	37.2%	38.5%	30.3%	47.1%
No	64.1	62.8	61.5	69.7	52.9
	100.0%	100.0%	100.0%	100.0%	100.0%

Do you have a severance agreement?

	Total	*Number of Beds* 300–399	400–499	500–999	1000+
1988					
Yes	50.6%	53.8%	54.5%	46.9%	50.0%
No	49.4	46.2	45.5	53.1	50.0
	100.0%	100.0%	100.0%	100.0%	100.0%

	Type of Institution Public university affiliated teaching hospital	Private university teaching hospital	Public non-university affiliated teaching hospital	Private non-university affiliated teaching hospital	Community hospital (non-teaching)
Yes	33.3%	37.2%	47.4%	52.9%	57.6%
No	66.7	62.8	52.6	47.1	42.4
	100.0%	100.0%	100.0%	100.0%	100.0%

Months of Severance Provided

	Total	*Number of Beds* 300–399	400–499	500–999	1000+
3	2.8%	6.3%	4.2%	0.0%	0.0%
4–6	13.7	15.6	16.7	9.4	12.5
7–12	56.1	46.9	58.3	67.6	45.8
More than 12	27.4	31.2	20.8	23.0	41.7
	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	13.9	13.0	13.5	14.0	16.7

Satisfaction with Career Progress

The typical respondent rates his satisfaction with career progress as "very high."

The percentage of respondents indicating career satisfaction in the "very high" category has decreased significantly from 69.7 percent in 1985 to 54.3 percent today. Seven of ten (71.4 percent) employed by organizations with 1,000+ beds report such gratification versus 84.8 percent in 1985. Less than half of those with 300–399 bed institutions (44.5 percent) currently rate career satisfaction as "very high" in contrast to 64.0 percent of the 1985 survey participants.

Eight of nine respondents (87.5 percent) expect to be working for the same employer in the next two years. More than half (51.5 percent) hope to hold their current position in five years, up from 42.6 percent in 1985.

Hours Devoted to Business

Responding health care chief executives devote an average of 60.2 hours to work each week. Three-fourths (73.5 percent) of the participants report working 60 hours or more each week. In 1985, only 59.9 percent of respondents did so.

On average, today's executives spend 24.4 hours a week in business meetings, and 88.4 percent feel that this time is productive.

While these executives are typically allotted 4.1 weeks of vacation each year, they only take 2.4 weeks.

Hours Devoted to Business Weekly

	Number of Beds				*1985*
	Total	*300–399*	*400–499*	*500–999*	*1000+*	*Total*
Fewer than 50	2.1%	2.6%	3.4%	1.9%	0.0%	2.4%
50–59	24.4	27.3	21.3	24.8	22.6	37.7
60–69	59.9	63.2	66.3	52.9	60.4	44.5
More than 69	13.6	6.9	9.0	20.4	17.0	15.4
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	60.2	59.1	59.4	60.9	61.8	NA

NA: Not Available

Time Devoted to External Affairs

Responding health care executives spend an average of 25 percent of their time on external affairs rather than on hospital operations. Only 11.5 percent of the participants spend more than half their time on external projects, compared to 32.0 percent of the 1985 participants.

Percent of Time Devoted to External Affairs

	Total	*1985 Total*
Less than 20	38.1%	7.9%
20–29	27.4	20.6
30–39	13.7	21.3
40–49	9.3	18.2
50–59	6.8	15.5
More than 59	4.7	16.5
	100.0%	100.0%
Mean	24.5	NA

NA: Not Available

Staff Reporting

The majority of respondents have direct line control of nine functional areas: board relations, strategic planning, finance, legislative affairs, hospital operations, community relations, development, physician relations, and professional associations/activities outside the hospital. The CEOs of the largest hospitals indicate six functional areas have direct reporting status to them: board relations, strategic planning, finance, legislative affairs, legal, and internal auditing.

Personal

The typical health care chief executive in our study is a 49-year-old white Protestant male who is married to his first wife.

		Number of Beds					*1985*
		Total	*300–399*	*400–499*	*500–999*	*1000+*	*Total*
Age	Younger than 40	7.8%	9.5%	6.8%	9.4%	1.9%	13.1%
	40–44	26.4	25.0	23.9	29.4	25.9	22.5
	45–49	25.2	25.9	31.8	20.6	25.9	20.2
	50–54	16.5	16.4	18.2	15.6	16.7	16.5
	55–59	13.0	15.5	9.1	11.9	16.7	15.0
	60–64	9.7	6.9	10.2	10.6	11.0	10.5
	Older than 64	1.4	0.8	0.0	2.5	1.9	2.2
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Mean	48.6	48.0	48.3	48.6	50.1	
	1985 Mean	48.8	48.6	49.5	48.3	49.5	
Gender	Male	90.9%	91.6%	94.4%	91.3%	83.6%	90.8%
	Female	9.1	8.4	5.6	8.7	16.4	9.2
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Religion	Protestant	57.6%	53.5%	65.2%	56.0%	59.6%	59.2%
	Roman Catholic	29.7	36.0	25.9	25.5	34.6	30.7
	Jewish	6.7	6.1	2.2	11.5	1.9	7.5
	None	3.4	2.6	5.6	3.8	0.0	NA
	Other	2.6	1.8	1.1	3.2	3.9	2.6
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Race	White	97.9%	97.4%	100.0%	96.2%	100.0%	99.2%
	Black	1.4	2.6	0.0	1.9	0.0	0.4
	Asian	0.7	0.0	0.0	1.9	0.0	0.4
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Marital Status	Married to first spouse	76.2%	77.3%	82.0%	75.5%	65.5%	72.3%
	Divorced, remarried	11.9	11.8	12.4	11.3	14.5	13.3
	Single, due to religious vows	4.9	4.2	2.2	5.1	9.1	NA
	Separated or divorced, not remarried	3.5	2.5	3.4	3.1	7.3	3.8
	Never married	2.6	3.4	0.0	3.1	3.6	9.6
	Widowed, not remarried	0.7	0.8	0.0	1.3	0.0	NA
	Widowed, remarried	0.2	0.0	0.0	0.6	0.0	1.0
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

NA: Not Available

Highest Educational Attainment and Functional Background

Ninety-six percent of responding health care chief executives indicate an advanced degree as their highest educational attainment, most frequently in health administration (47.4 percent). Twenty-three percent of the participants hold an M.B.A., the same figure reported in the 1985 study.

Four of five (86.4 percent) responding health care chief executives have an administrative/operations background. Another 6.0 percent come from the financial area and 4.0 percent from medicine/research.

Highest Educational Attainment

		Location					1985
	Total	*East*	*Midwest*	*South*	*Southwest*	*West*	*Total*
High school diploma	0.5%	0.0%	1.4%	0.0%	0.0%	0.0%	0.7%
Bachelor's degree	3.7	6.4	1.4	5.1	2.5	3.3	8.8
M.B.A.	23.1	22.7	22.3	25.6	17.5	26.7	22.7
M.H.A.	47.4	40.9	54.0	44.9	50.0	45.0	47.4
M.P.H.	5.8	6.4	5.7	3.8	2.5	10.0	5.0
Other Master's degree	6.5	8.2	4.3	6.4	10.0	6.6	4.4
M.D.	4.2	6.4	2.9	0.0	10.0	5.0	5.0
J.D./LL.B.	1.6	0.9	2.2	1.3	2.5	0.0	0.3
Doctorate	2.6	2.7	2.9	1.3	5.0	1.7	2.0
Multiple Master's degrees	2.3	3.6	2.2	2.6	0.0	1.7	NA
Other	2.3	1.8	0.7	9.0	0.0	0.0	3.7
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

NA: Not Available

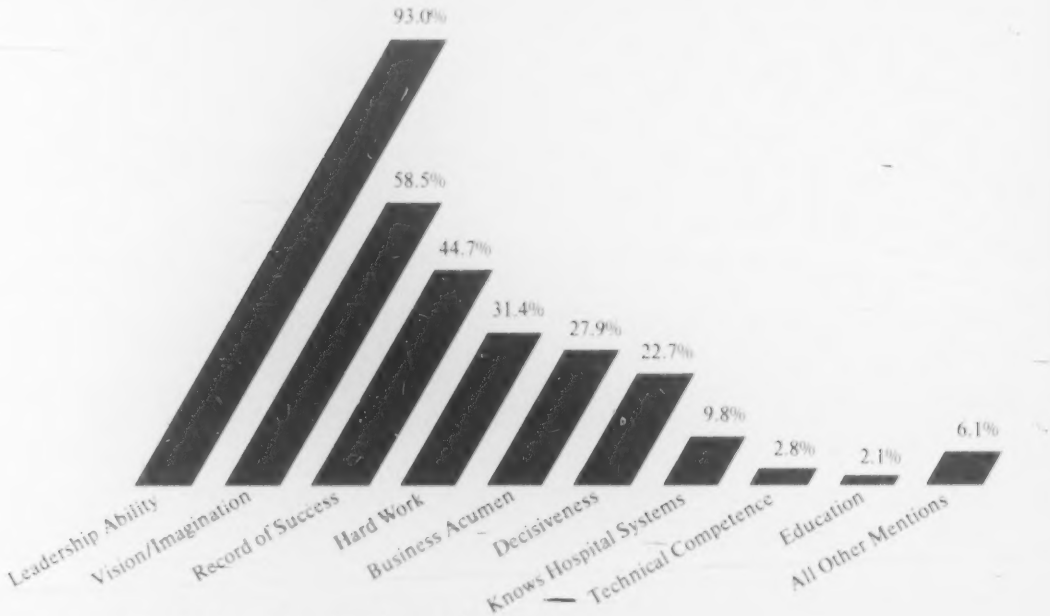
Number of Full-Time Employers

The typical health care chief executive has worked for four employers during his career. Only 6.6 percent of the respondents have devoted their entire careers to a single organization, while 12.0 percent have worked for more than five employers.

		Location					1985
	Total	*East*	*Midwest*	*South*	*Southwest*	*West*	*Total*
One	6.6%	2.8%	6.8%	10.6%	12.8%	3.6%	6.9%
Two	17.8	20.8	15.1	19.7	15.4	16.4	18.0
Three	28.5	26.4	27.3	36.8	23.1	29.1	26.4
Four	21.7	20.8	22.0	18.4	23.1	27.3	22.0
Five	13.4	12.2	15.9	10.6	7.7	16.4	15.9
More than five	12.0	17.0	12.9	3.9	17.9	7.2	10.8
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	3.6	3.9	3.7	3.1	3.8	3.6	3.6

Attributes for Upward Mobility

Respondents indicate the top three factors which contribute most to upward mobility for hospital executives are leadership ability, vision/imagination, and a record of success.



Results do not add to 100% due to multiple responses.

Staffing Shortages

Ninety-one percent of participating health care chief executives indicate that their organization is experiencing a shortage of nurses. Seven of ten (71.7 percent) also report a need for technical employees. Another 19.4 percent note a shortage of physicians.

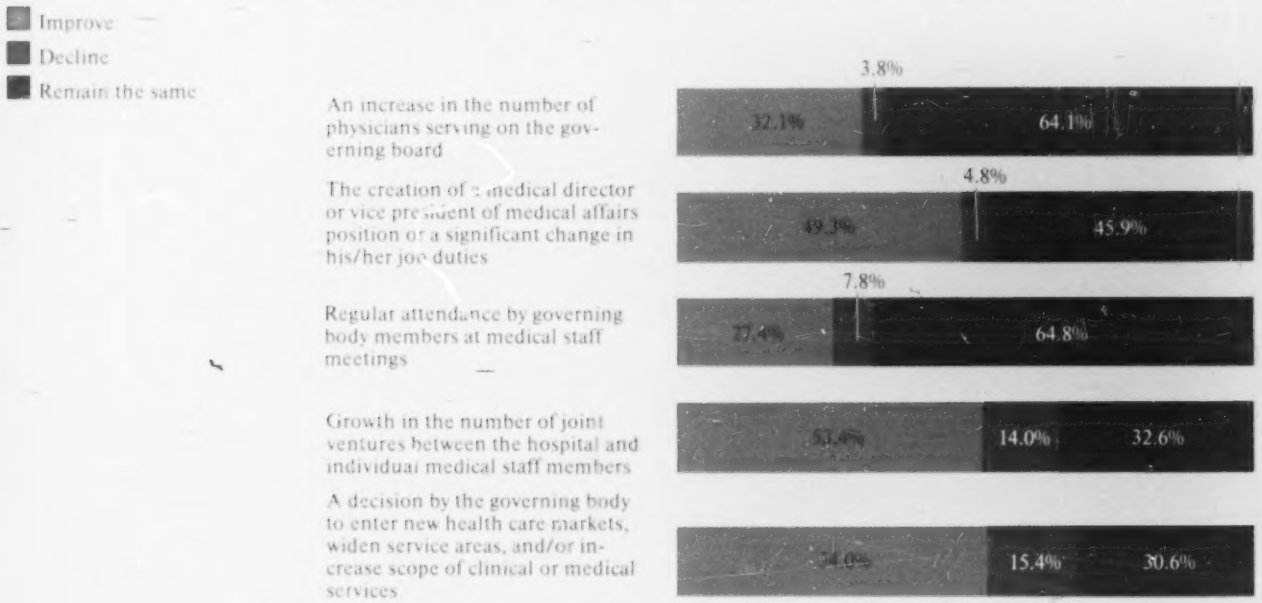
However, two-thirds (66.8 percent) feel that these shortages are not affecting the quality of care provided by their organizations.

Keys to Future Organizational Success

Thirty-two percent of the participants report their institution's single greatest point of leverage for the future is enhanced physician/institutional relations. One-fifth (19.9 percent) indicate that combination with another/other organization(s) would be the key.

Views

By the end of the next two years, how do you feel relations among members of governance, physician leadership, and the CEO will be affected due to each of the following situations:


Improve
Decline
Remain the same
An increase in the number of physicians serving on the governing board
3.8%
32.1%
64.1%
The creation of a medical director or vice president of medical affairs position or a significant change in his/her job duties
4.8%
49.3%
45.9%
Regular attendance by governing body members at medical staff meetings
7.8%
27.4%
64.8%
Growth in the number of joint ventures between the hospital and individual medical staff members
53.4%
14.0%
32.6%
A decision by the governing body to enter new health care markets, widen service areas, and/or increase scope of clinical or medical services
54.0%
15.4%
30.6%

About Heidrick and Struggles

For more than three decades, Heidrick and Struggles has devoted its full resources and capabilities to providing superior executive search services worldwide. Client organizations within every one of the world's major industries retain Heidrick and Struggles to identify, evaluate and attract high caliber executive talent for specific opportunities within middle and top management and for boards of directors. One of the best known and most experienced in executive search, the firm comprises more than 100 professionals, supported by a sophisticated information base in a network of 21 offices located in major business centers in the United States, Canada, and Europe.

Heidrick and Struggles's North American Health Care Practice includes 19 consultants in 11 major business centers. These seasoned professionals, many of whom have CEO and COO experience in the industry, have collectively undertaken hundreds of senior management health care search assignments in the last several years.

Heidrick and Struggles comprises an international capability across the health care spectrum: from research and development and manufacturing and distribution to all aspects of health care delivery, education, services, and financing. Our experience has included successful completion of scores of assignments in virtually every executive, administrative, and professional role, including senior physician executives.

In addition to the *Health Care Chief Executive*, the first of its kind, the Health Care Practice has made other fundamental contributions to the industry with profiles such as the *Health Care Chief Information Officer* and the *Health Care Marketing Officer.* The nation's first broadscale study of U.S. hospital CEO turnover is being underwritten by Heidrick and Struggles in conjunction with the American College of Healthcare Executives and the American Hospital Association.

To contribute to the body of knowledge available on senior management, Heidrick and Struggles periodically publishes profiles on incumbents in key management posts. The firm is pleased to add this publication to others it produces to report trends of significance to directors and senior management.

Publications

A list of Heidrick and Struggles publications appears below. Copies and prices are available from the firm's Communications/Public Relations Department in Chicago.

United States

The Changing Board
A survey of chairmen and the boards they direct

Chief Executive Officer
Chief Financial Officer
Chief Marketing Executive
Director Data
Financial Services Chief Executive
Health Care Chief Executive
Health Care Chief Information Officer
Health Care Marketing Officer
Human Resources: Function in Transition
Information/Technology Chief Executive Officer
Mobile Manager
Profile of a Bank and Bank Holding Company Chief Executive Officer
Profile of a Chief International Officer
Research and Development
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The Search for Management
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Europe

The Role of the Chairman
Profile of a Chief Personnel Executive in the United Kingdom
Chief Executive Officer Data
The U.K. Chief Executive and His Outlook
Profile of the Chief Financial Officer in the United Kingdom
Chief Marketing Executive in the United Kingdom
Profile of a Chief International Officer
Top Management in the U.K. Computing Industry
Information Technology—The Management of Change in the U.K.
Leiter Personalwesen in Deutschland
Der Marketing-Leiter in der EDV-Branche
Leiter Finanz-und Rechnungswesen in Deutschland
Der Marketing-Leiter in Deutschland
Der Vertriebsleiter in Deutschland
Die Situation im Maschinen-und Anlagenbau
Karriere-Ingenieure in Deutschland
Der Geschäftsführer in Deutschland
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Profil du Directeur du Personnel en France
Le Directeur du Personnel Dans Les Benelux
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The Search for Management
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Chief Information Officer

Heidrick and Struggles

Consultants in Executive Search

About This Study

Heidrick and Struggles conducted this survey of chief information officers of *Fortune* 500 and *Fortune* Service 500 organizations to contribute to a better understanding of leadership positions. Members of our survey sample guide the information strategies of 955 of the nation's largest industrial and non-industrial companies. Responses were received by a significant 31.5 percent of the selected population.

Heidrick and Struggles is grateful to the participating chief information officers who took the time and effort necessary to make this study possible.

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Introduction

For many decades, access to timely and accurate information has allowed America's businesses to flourish in an increasingly competitive national and world marketplace. During the past ten years, rapid advances in systems and communications technologies have made it possible for managers to acquire and evaluate the huge amounts of data necessary to retain their competitive edge. Systems managers who understand their organization's business objectives and who can also lead fellow managers in selecting and using essential technologies are emerging as a key part of today's executive management team.

The title "Chief Information Officer" has been given to the individual who has assumed this leadership role. Who are these people? Our survey of CIOs of *Fortune* 500 and *Fortune* Service 500 organizations indicate these people are experienced professionals. They have been with their companies an average of 12 years, the last five as the CIO. Three-quarters indicate their primary functional background is in information systems. Their compensation packages include an average annual salary of $162,000 (base and bonus), stock options, and extra life insurance.

Even with the years of experience behind these executives, the turbulence of the current business world and the increasing importance of information technology places respondents in a time of instability. Forty-two percent of the executives who were not the first to hold the CIO title report having more than one predecessor. One-half state the previous CIOs either voluntarily resigned or were dismissed. Thirty-five percent foresee changing positions within two years. The most common reasons given were they have accomplished as much as possible at their current organizations (33 percent) and they are unhappy with their company's IS structure or policy (21 percent). Ironically, they have a great deal of self confidence with 72 percent rating their job security as "very high" or "high."

If systems and communications technologies are indeed vital to competing in the world markets, top management must continue to bring those who demonstrate their information technology and managerial abilities out of a support role and into a visible leadership position. Five of eight CIOs do serve on internal management committees. Of these CIOs, 41 percent are members of a senior management committee. Only 2 percent of the respondents are members of their corporate boards.

The role of the CIO will continue to evolve. Respondents will continue to lead their organizations through the ever-changing business environment using the advances made in information technology. As for 1989, participants report their primary goal is to develop strategic business plans. Their secondary objective is to devise strategic technology programs. Given the average age of 48, these executives will have plenty of time to bring business and technology together to enable corporations to compete in any market in any industry.

Ronald E. Gerevas
President and CEO
Heidrick and Struggles

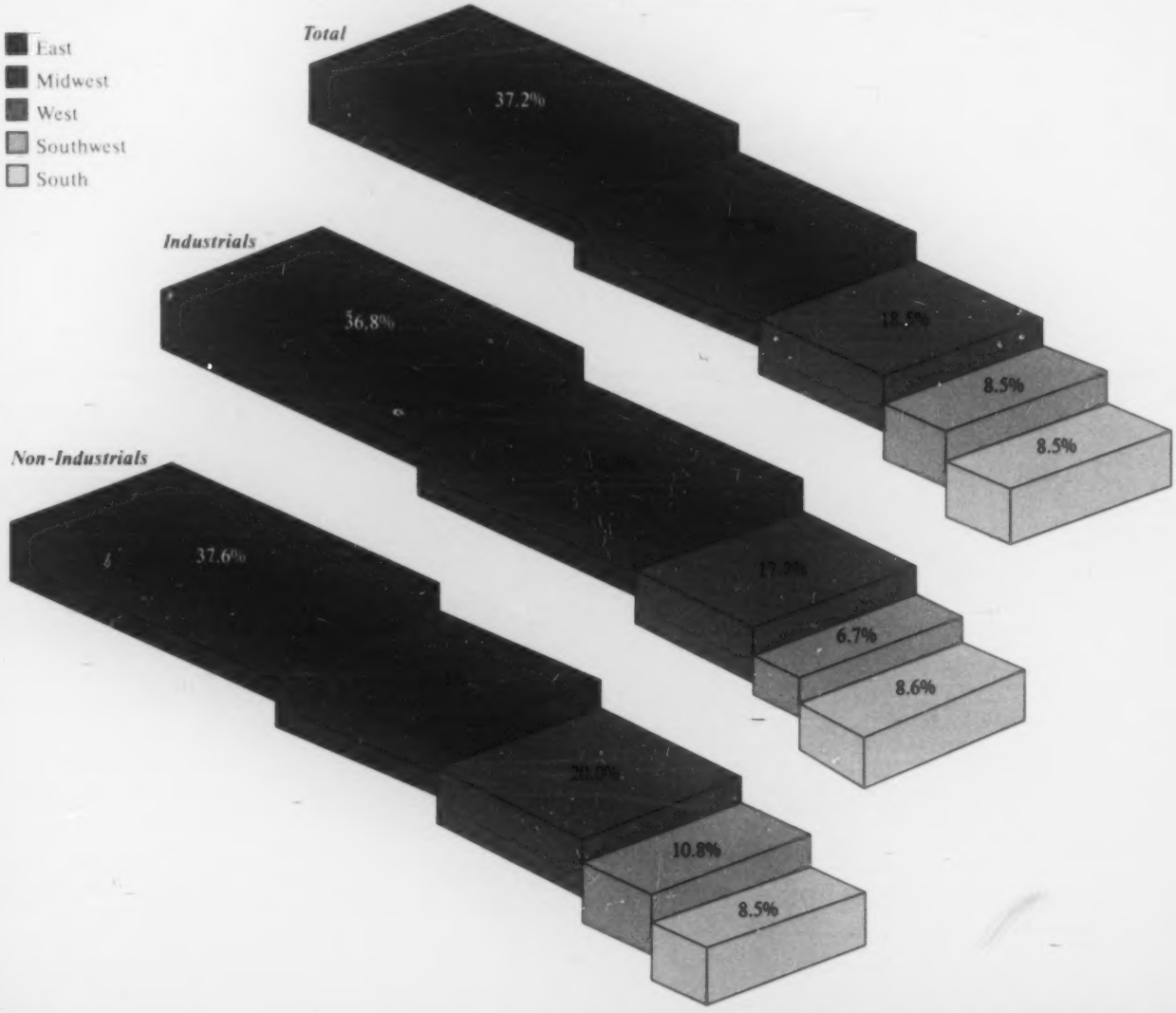
Highlights

The typical chief information officer in our study:

- ☐ Is a 48-year-old white male, who is married to his first spouse
- ☐ Earns an average annual cash compensation (base and bonus) of $162,000
- ☐ Oversees an average information services budget of $122 million
- ☐ Has been with his present company for an average of 11.7 years
- ☐ Was the first individual to hold the "CIO" post in his company
- ☐ Indicates his company does not plan to decentralize information systems
- ☐ Rates his job security as "very high" or "high"
- ☐ Believes when recruiting a new chief information officer, it is best to find an executive with more management experience than information services expertise

Company Type and Location

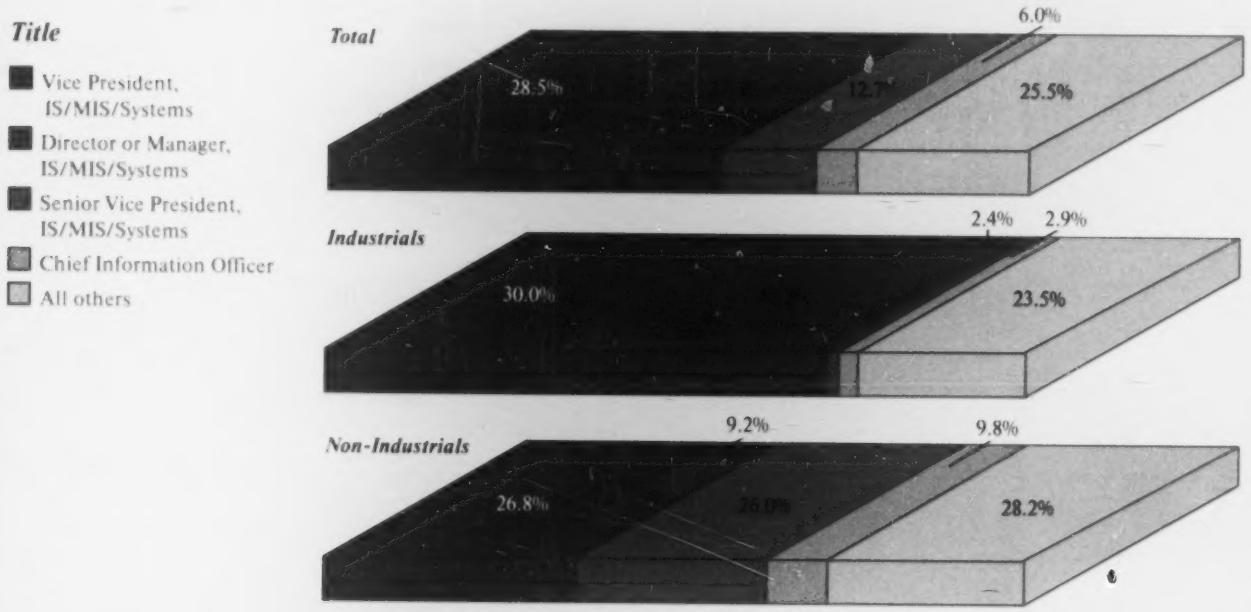
Chief information officers of industrial companies account for 56.5 percent of the respondents, while 43.5 percent are employed by non-industrial organizations. Two-thirds of the participants are located in the East and Midwest.



Title and Reporting Structure

Only 6 percent of the respondents hold the "Chief Information Officer" title. Twenty-nine percent have the "Vice President, IS/MIS/Systems" designation. Among non-industrial participants, one-quarter hold the "Senior Vice President, IS/MIS/Systems" rank.

Thirty percent indicate reporting to the chief financial officer, while 16 percent report to a senior vice president. Only 7.7 percent are direct reports of the CEO and President.



Cash Compensation

The average annual cash compensation (base and bonus) reported by participating chief information officers is $162,000. CIOs employed by non-industrial companies earn an average of $172,000, 11 percent more than their industrial counterparts. The most highly compensated respondents work for diversified financial organizations. They are awarded $251,000 average annual pay.

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1-1.9B	Less than $1B
Less than $100,000	17.4%	19.3%	14.9%	10.2%	18.8%	36.9%
$100,000-124,999	17.1	20.5	12.6	12.5	25.0	32.6
$125,000-149,999	19.8	18.1	22.0	14.8	25.0	19.6
$150,000-174,999	13.3	10.8	16.5	12.5	15.6	4.3
$175,000-199,999	10.6	10.8	10.2	15.8	9.4	2.3
$200,000-299,999	15.3	13.8	17.3	21.7	6.2	4.3
$300,000-399,999	4.5	4.9	4.1	9.1	0.0	0.0
More than $399,999	2.0	1.8	2.4	3.4	0.0	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	$162,000	$155,000	$172,000	$187,000	$130,000	$113,000

Perquisites

Stock options and extra life insurance are the only perquisites awarded to the majority of responding chief information officers. Participants employed by industrial companies with sales volumes of $2 billion or more receive deferred compensation in addition to stock options and extra life insurance.

				Industrials by Size		
	Total	***Industrials***	***Non-Industrials***	$2B or More	$1–1.9B	Less than $1B
Stock options	**76.6%**	79.4%	72.9%	84.6%	84.8%	65.2%
Extra life insurance	**61.9**	57.6	67.4	60.4	57.6	52.2
Deferred compensation	**46.2**	45.3	47.3	54.9	39.4	30.4
Automobile	**41.5**	36.5	48.1	38.5	33.3	34.8
Financial counseling	**31.4**	31.2	31.8	44.0	21.2	13.0
Performance shares	**29.1**	31.8	25.6	40.7	27.3	17.4
Use of company planes	**28.8**	31.8	24.8	42.9	21.2	17.4
First-class air travel	**24.1**	21.8	27.1	30.8	15.2	8.7
Town club membership	**17.7**	18.2	17.1	22.0	15.2	13.0
Reimbursement of uninsured medical costs	**13.0**	7.6	20.2	12.1	3.0	2.2
Low-cost loans	**12.7**	7.6	19.4	11.0	3.0	4.3
Country club membership	**12.4**	10.6	14.7	17.6	0.0	4.3
Legal counseling	**10.7**	9.4	12.4	13.2	9.1	2.2
Others	**5.4**	4.7	6.2	3.3	9.1	4.3
None	**4.0**	4.7	3.1	2.2	6.1	8.7

Results do not add to 100% due to multiple responses.

Present Company

Responding chief information officers have been with their present employers for an average of 11.7 years. Among non-industrial organizations, CIOs of insurance firms report being with their companies the longest, 14.1 years. Those from diversified services have the shortest tenure, 7.3 years.

Participants have held their current positions an average of 4.6 years. Five of nine (56.1 percent) were recruited from within their present companies, while 43.9 percent were hired from outside.

Years with Present Employer

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Less than 2	7.0%	7.1%	6.9%	4.4%	9.1%	10.9%
2–3	16.6	12.3	22.1	8.8	18.2	15.2
4–5	12.6	13.5	11.4	12.1	15.2	15.2
6–9	14.3	15.9	12.1	15.4	12.1	19.6
10–14	14.6	15.9	13.0	15.4	21.2	13.0
15–19	13.3	13.5	13.0	13.2	9.1	17.5
20–24	10.6	10.0	11.5	13.2	9.1	4.3
25–29	5.6	5.3	6.1	8.8	3.0	0.0
More than 29	5.4	6.5	3.9	8.7	3.0	4.3
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	11.7	12.2	11.1	14.4	10.1	9.3

Years in Present Post

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Less than 2	17.6%	18.8%	16.0%	19.8%	9.1%	23.9%
2–3	33.9	30.6	38.2	29.6	30.3	32.6
4–5	20.6	22.9	17.6	23.1	30.3	17.4
6–9	17.6	17.1	18.3	17.6	12.1	19.6
10–14	8.3	8.8	7.6	8.8	12.1	6.5
More than 14	2.0	1.8	2.3	1.1	6.1	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	4.6	4.6	4.5	4.5	5.6	4.1

The CIO Position

One-half of the respondents report they are the first to have the CIO position in their organization. Of those who were not, three of five indicate they had one predecessor. Twenty-two percent indicate two preceding CIOs.

Fifty-one percent report their predecessor either voluntarily resigned or was dismissed.

One-third of the participants believe they will change positions within the next two years. The most common reason cited was they felt they have accomplished as much as possible at their present companies. One-fifth indicate they are unhappy with company IS structure and/or policy.

Were you the first to hold the CIO title?

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Yes	50.2%	45.8%	55.7%	48.1%	41.9%	44.2%
No	49.8	54.2	44.3	51.9	58.1	55.8
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Do you foresee changing positions within two years?

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Yes	34.7%	37.1%	31.5%	34.1%	27.3%	50.0%
No	65.3	62.9	68.5	65.9	72.7	50.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

If yes, for what reasons?

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Accomplished as much as possible at present company	33.0%	30.6%	36.8%	23.3%	33.3%	39.1%
Unhappy with company IS structure/policy	21.0	25.8	13.2	13.3	55.6	30.4
Time to move on	19.0	16.1	23.7	10.0	0.0	30.4
Expecting promotion	14.0	12.9	15.8	20.0	11.1	4.3
Retirement	7.0	8.1	5.3	13.3	0.0	4.3
Other	25.0	25.8	23.7	23.3	22.2	30.4

Results do not add to 100% due to multiple responses.

Primary Functional Background

Three-quarters of responding CIOs come from information services backgrounds. Among participants employed by non-industrial companies, almost all of the retail executives (93.8 percent) have risen through the IS ranks. Only one-third of their counterparts in utilities have this career path. Twenty-nine percent of these CIOs have an engineering/research background.

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Information Services	74.1%	71.8%	77.1%	65.5%	87.5%	73.3%
Finance	8.3	9.0	7.6	8.9	6.3	11.1
Engineering/research	5.4	6.0	4.6	8.9	3.1	2.2
Manufacturing/operations	3.7	4.8	2.3	4.4	3.1	6.7
Marketing	3.4	4.2	2.3	6.7	0.0	2.2
Advertising	1.7	1.2	2.3	0.0	0.0	4.5
Other	3.4	3.0	3.8	5.6	0.0	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Annual Budget

Participants' average annual budget for information services (including communications, hardware, software, consulting, and staff) is $122 million. CIOs of industrial companies indicate their average budget is 76 percent more than that of their non-industrial counterparts. Respondents employed by industrial organizations with sales volumes of $2 billion or more report the highest average annual budget, $223 million.

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
$1,000,000–9,999,999	18.6%	23.3%	12.6%	4.6%	31.3%	55.8%
$10,000,000–19,999,999	20.0	16.5	24.4	6.8	28.2	27.9
$20,000,000–39,999,999	20.3	19.6	21.3	22.7	28.1	7.1
$40,000,000–59,999,999	10.3	9.8	11.0	15.9	3.1	2.3
$60,000,000–99,999,999	8.6	8.1	9.4	13.6	3.1	0.0
$100,000,000–199,999,999	9.0	8.6	9.5	15.9	0.0	0.0
More than $199,999,999	13.2	14.1	11.8	20.5	6.2	6.9
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	$122,000,000	$151,000,000	$86,000,000	$223,000,000	$78,000,000	$57,000,000

Decentralization vs. Centralization

Three of ten respondents report their companies are planning to decentralize their information systems. Only 23 percent of participants employed by non-industrial organizations indicate their firm's intent to do so.

Of those CIOs whose companies are planning to decentralize, only 9 percent said such action would pose a threat to their job security.

Does your company have a plan to decentralize information systems?

				Industrials by Size		
	Total	***Industrials***	***Non-Industrials***	$2B or More	$1–1.9B	Less than $1B
Yes	30.2%	35.5%	23.3%	34.1%	30.3%	42.2%
No	67.8	62.1	75.1	61.5	69.7	57.8
Already decentralized	2.0	2.4	1.6	4.4	0.0	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Job Security

Five of seven (72.1 percent) participating CIOs rate their job security as "very high" or "high." Fifty-three percent of respondents employed by insurance companies rank their job security as "high," the greatest rating for this category among all participants. However, 18 percent of the same executives rank employment assurance as "low."

				Non-Industrial Categories						
	Total	***Industrials***	***Non-Industrials***	Diversified Services	Commercial Banks	Diversified Financial	Insurance	Retail	Transportation	Utilities
Very high	35.2%	33.3%	37.6%	38.8%	47.1%	41.7%	17.6%	37.4%	18.7%	50.0%
High	36.9	40.5	32.3	16.7	26.5	25.0	52.9	31.3	50.0	28.6
Stable	22.5	22.0	23.1	33.3	23.5	33.3	11.9	25.0	25.0	14.3
Low	4.4	3.0	6.2	5.6	2.9	0.0	17.6	6.3	6.3	7.1
Very low	1.0	1.2	0.8	5.6	0.0	0.0	0.0	0.0	0.0	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Critical Issues

Integrating corporate goals with IS goals; familiarizing and educating senior management about the IS role and potential; using information systems to gain a competitive edge; and IS strategic planning are the most critical issues the majority of responding CIOs are facing today.

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1-1.9B	Less than $1B
Integrate corporate goals with IS goals	69.0%	65.9%	73.1%	67.0%	78.8%	54.3%
Familiarize and educate senior management about the IS role and potential	63.7	65.9	60.8	64.8	78.8	58.7
Use information systems to gain a competitive edge	63.0	61.2	65.4	61.5	48.5	69.6
IS strategic planning	57.7	60.0	54.6	57.1	66.7	60.9
Develop information architecture	43.7	41.8	46.2	49.5	24.2	39.1
Recruit and develop IS personnel	34.3	37.6	30.0	39.6	24.2	43.5
Update obsolete systems	32.0	30.0	34.6	25.3	24.2	43.5
Integrate systems	29.0	32.4	24.6	35.2	24.2	32.6
Telecommunications	23.3	23.5	23.1	23.1	36.4	15.2
Cut IS costs	17.0	14.7	20.0	12.1	18.2	17.4
Data utilization	17.0	16.5	17.7	13.2	18.2	21.7
Measure IS productivity	16.3	15.9	16.9	18.7	15.2	10.9
Executive support systems	12.0	11.2	13.1	8.8	9.1	17.4
Implement data security	4.3	4.7	3.8	4.4	6.1	4.3
Other	8.3	8.2	8.5	7.7	9.1	8.7

Results do not add to 100% due to multiple responses.

The Competitive Edge

Seven of ten participants believe "Implementation" is the information technology strategy that best gives their organization a competitive edge. Nineteen percent of the respondents employed by industrial companies with sales volumes of $2 billion or more get their advantage by implementing the "Discontinuity" strategy.

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1-1.9B	Less than $1B
Implementation: utilizing commonly available technology better than the competition.	69.2%	70.0%	68.2%	60.0%	78.1%	84.4%
One-step-ahead: continually releasing innovative technology before the competition matches it.	15.2	13.8	17.1	16.7	6.3	13.3
Discontinuity: using information technology to create a decisive shift in the fundamental competitive structure of its served market.	11.5	13.8	8.5	18.9	15.6	2.3
Proprietary-advantage: developing a distinctive technology and keeping it exclusive long enough to corner a share of the market.	4.1	2.4	6.2	4.4	0.0	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: "The Best Offense..." by Michael Packer and Janice Brodman, CIO, May 1988

Purposes and Changes

Five of nine respondents report their most important purpose as CIO is to formulate overall corporate information services strategies. Thirty-nine percent of executives employed by diversified services companies state their primary objective is to provide top executives with counsel and advice about information systems.

Thirty-nine percent believe new applications implementation is the change in the IS environment that demands the most attention from the CIO and his/her department. One-fifth point to increasing distributed processing as the most challenging variation.

Purposes

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
To formulate overall corporate information services strategies	57.3%	61.2%	52.3%	63.6%	56.3%	60.0%
To provide counsel and advice on information systems to top executives	18.1	15.2	21.9	11.4	12.5	24.4
To monitor and control company-wide IS activities	11.6	8.5	15.6	8.0	12.5	6.7
To supervise centralized information systems/services	6.5	6.7	6.3	5.7	12.5	4.5
To counsel management on forecasts, budgets, plans, and needs	2.7	3.6	1.6	4.5	3.1	2.2
To "trouble shoot" any important information service problems which arise	0.4	0.6	0.0	0.0	3.1	0.0
Other	3.4	4.2	2.3	6.8	0.0	2.2
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Board and Internal Committee Memberships

Only 2 percent of the respondents are members of their own board of directors. The strongest board representation is reported by CIOs employed by insurance companies and transportation organizations, where 6.3 percent of each group serve.

However, 62 percent of the participants are members of internal management committees. Two of five serve on a senior management committee.

Do you serve as a member of your own corporate board?

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Yes	2.0%	1.2%	3.1%	1.1%	0.0%	2.2%
No	98.0	98.8	96.9	98.9	100.0	97.8
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Are you a member of any internal management committees?

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Yes	62.3%	55.7%	70.8%	56.8%	48.5%	58.7%
No	37.7	44.3	29.2	43.2	51.5	41.3
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Hours Devoted to Business

Responding CIOs devote an average of 57.4 hours weekly to business. CIOs of insurance companies spend the most time on the job, 60.7 hours.

Participants also dedicate an average of 18.9 hours a week to business meetings and 2.7 hours preparing for them. Five of six rate the quality of time spent in meetings as "productive."

Business Hours

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Fewer than 50	5.3%	5.3%	5.4%	5.6%	0.0%	8.7%
50–54	21.0	23.6	17.6	16.7	36.3	28.3
55–59	27.3	29.0	25.2	30.0	27.3	28.3
60–64	26.7	24.3	29.7	31.0	27.3	8.7
65–69	10.7	8.9	13.0	5.6	6.1	17.3
More than 69	9.0	8.9	9.1	11.1	3.0	8.7
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	57.4	57.0	58.0	57.8	55.8	56.3

How many hours of your work week are spent in business meetings?

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Less than 9	9.2%	12.0%	5.6%	6.6%	12.5%	22.2%
10–14	19.7	20.8	18.3	14.3	25.0	31.1
15–19	14.3	11.9	17.5	14.3	9.4	8.9
20–24	29.2	31.5	26.1	30.7	46.9	22.2
25–29	10.9	10.7	11.1	12.1	3.1	13.3
More than 29	16.7	13.1	21.4	22.0	3.1	2.3
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	18.9	18.1	20.0	20.8	16.1	14.2

Number of Full-Time Employers and Geographic Relocations

Respondents have had an average of four full-time employers thus far in their careers. These executives also report geographically relocating an average of three times.

Full-Time Employers

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
One	11.7%	11.8%	11.5%	16.5%	12.1%	2.2%
Two	16.7	16.6	16.8	18.7	9.1	17.8
Three	23.0	23.0	22.8	24.1	27.3	17.8
Four	20.2	22.5	17.5	18.7	15.2	35.5
Five	15.7	16.0	15.3	13.2	24.2	15.6
More than five	12.7	10.1	16.1	8.8	12.1	11.1
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	3.7	3.7	3.8	3.6	3.8	3.8

Number of Geographic Relocations

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
One	37.1%	32.5%	43.0%	26.3%	28.0%	47.8%
Two	18.7	18.9	18.5	20.9	18.8	15.2
Three	13.7	14.2	13.1	14.3	18.8	10.9
Four	9.4	11.8	6.2	13.2	15.6	6.6
Five	8.0	7.1	9.2	7.7	9.4	4.3
Six	4.7	5.9	3.1	5.5	6.3	6.6
More than six	8.4	9.6	6.9	12.1	3.1	8.6
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	2.8	3.0	2.6	3.2	2.8	2.6

Leisure and Vacation Time

Three-quarters of the participants feel they have sufficient time to spend with their families. Fifty-seven percent report they have enough time for outside interests as well.

The average amount of vacation time allocated is four weeks; however, 71 percent took three weeks or less.

Do you feel you have sufficient time to spend with:

Family

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1-1.9B	Less than $1B
Yes	74.6%	75.1%	73.8%	72.5%	81.8%	75.6%
No	25.4	24.9	26.2	27.5	18.2	24.4
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Outside Interests

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1-1.9B	Less than $1B
Yes	56.7%	59.8%	52.7%	56.0%	65.6%	63.0%
No	43.3	40.2	47.3	44.0	34.4	37.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Weeks of Vacation Taken

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1-1.9B	Less than $1B
Less than two	9.0%	7.6%	10.7%	7.7%	9.1%	6.5%
Two	27.9	27.6	28.2	22.0	33.3	34.8
Three	34.5	36.5	32.0	33.0	39.4	41.3
Four	21.9	20.6	23.7	27.4	12.1	13.0
More than four	6.7	7.7	5.4	9.9	6.1	4.4
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	2.9	3.0	2.9	3.1	2.7	2.9

Personal

The typical chief information officer is a 48-year-old white male who is married to his first spouse. Forty-seven percent have an advanced degree.

Seventy-one percent of the respondents report being a member of a professional organization. One-half are members of the Society of Information Management.

Age

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Younger than 40	9.1%	9.6%	8.5%	7.9%	3.0%	17.9%
40–44	19.5	19.2	20.0	19.1	12.1	24.4
45–49	30.0	26.9	33.8	24.7	27.3	31.1
50–54	24.9	26.3	23.1	23.6	51.5	13.3
55–59	14.5	15.6	13.1	20.2	6.1	13.3
Older than 59	2.0	2.4	1.5	4.5	0.0	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	47.9	48.1	47.7	49.0	49.3	45.3

Gender

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Male	97.7%	97.1%	98.5%	95.6%	100.0%	97.8%
Female	2.3	2.9	1.5	4.4	0.0	2.2
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Religion

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Protestant	49.7%	53.2%	45.3%	54.7%	53.1%	50.0%
Catholic	37.4	33.5	42.2	30.2	43.8	32.5
Jewish	4.2	4.4	3.9	5.8	3.1	2.5
Other	2.1	0.7	3.9	1.2	0.0	0.0
None	6.6	8.2	4.7	8.1	0.0	15.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Race

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
White	98.3%	97.6%	99.2%	100.0%	100.0%	90.8%
Black	0.8	0.6	0.8	0.0	0.0	2.3
Hispanic	0.3	0.6	0.0	0.0	0.0	2.3
Asian	0.3	0.6	0.0	0.0	0.0	2.3
American Indian/Eskimo	0.3	0.6	0.0	0.0	0.0	2.3
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Marital Status

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Married to first spouse	75.3%	76.3%	74.0%	74.4%	84.8%	73.9%
Divorced, remarried	16.7	16.0	17.5	15.6	15.2	17.4
Separated or divorced, not remarried	5.3	5.9	4.6	7.8	0.0	6.5
Widowed, remarried	1.7	0.6	3.1	1.1	0.0	0.0
Widowed, not remarried	0.0	0.0	0.0	0.0	0.0	0.0
Single, never married	1.0	1.2	0.8	1.1	0.0	2.2
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Highest Educational Attainment

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Bachelor's degree	46.3%	46.4%	46.1%	41.1%	54.5%	51.1%
M.B.A.	32.6	35.7	28.5	37.8	30.3	35.6
Other Master's degree	8.7	7.7	10.0	10.0	3.0	6.7
High school diploma	6.4	4.2	9.2	2.2	9.2	4.4
Master's in Engineering	4.0	4.8	3.1	6.7	3.0	2.2
Doctorate	1.3	0.6	2.3	1.1	0.0	0.0
J.D./LL.B.	0.7	0.6	0.8	1.1	0.0	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Professional Organization Memberships

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Society for Information Management	52.4%	59.5%	42.4%	64.6%	53.6%	53.6%
Data Processing Management Association	20.9	16.5	27.1	16.9	10.7	21.4
Research Board	14.6	14.9	14.1	27.7	0.0	0.0
Association for Systems Management	10.7	8.3	14.1	6.2	17.9	3.6
AMA	4.4	5.0	3.5	1.5	3.6	14.3
IEEE	3.9	2.5	5.9	1.5	0.0	7.1
Conference Board	3.4	5.0	1.2	9.2	0.0	0.0
APICS	2.4	4.1	0.0	3.1	3.6	7.1
Other	38.3	40.5	35.3	36.9	42.9	46.4

Results do not add to 100% due to multiple responses.

Success Factors

According to participants, the top three factors influencing their success are leadership ability, "people" skills, and results orientation.

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1-1.9B	Less than $1B
Leadership ability	70.0%	72.9%	66.1%	76.1%	65.6%	71.7%
"People" skills	52.2	47.6	58.3	46.6	50.0	47.8
Results orientation	44.4	46.4	41.7	51.1	46.9	37.0
Hard work	29.0	27.1	31.5	23.9	34.4	28.3
Record of success	28.3	30.1	26.0	27.3	31.3	34.8
Credibility	23.9	25.9	21.3	26.1	21.9	28.3
Intelligence	19.8	19.3	20.5	20.5	12.5	21.7
Information services know-how	14.3	16.9	11.0	14.8	18.8	19.6
Timing	6.1	6.6	5.5	5.7	9.4	6.5
Supportive superiors	5.5	3.6	7.9	3.4	3.1	4.3
Educational credentials	3.8	4.2	3.1	2.3	3.1	8.7
Luck	3.8	3.0	4.7	3.4	6.3	0.0
Others	3.1	3.0	3.1	3.4	3.1	2.2

Results do not add to 100% due to multiple responses.

Issues

Agree
Disagree
No Opinion

The information systems area is viewed as an expense, not an asset, by most corporate managements.

A CIO responsible for an independent business unit is viewed by other department heads more as a peer and less as a source of overhead.

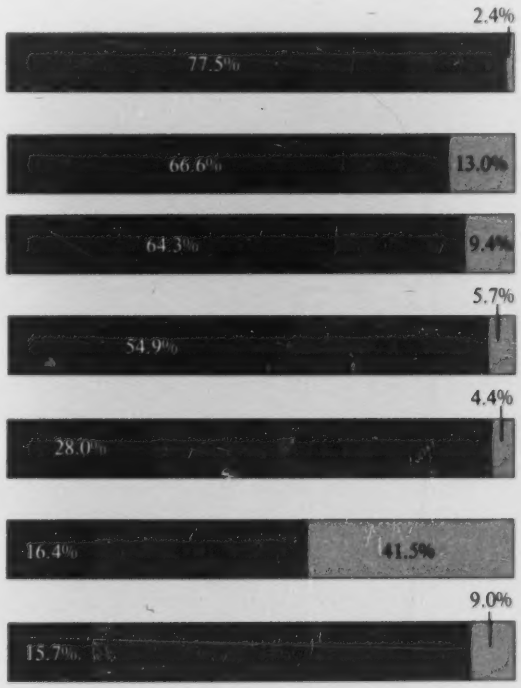
There are not enough qualified individuals to fill all the available information services positions.

When recruiting a new chief information officer, it is best to find an executive with more management experience than information services expertise.

MIS managers are not the logical choice for a CIO role because of their abundance of technical know-how and lack of overall managerial experience.

Because of restrictions implemented by other countries, the lack of transborder data flow is seriously hindering the development of global information systems.

There is a lack of professionalism among information services executives due to a lack of education and structured training programs.



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For 35 years, Heidrick and Struggles has devoted its full resources and capabilities to providing superior executive search services worldwide. Client organizations within every one of the world's major industries retain Heidrick and Struggles to identify, evaluate, and attract high caliber executive talent for specific opportunities within middle and top management, and on boards of directors. One of the best known and most experienced in executive selection, the firm comprises more than 100 professionals, supported by a sophisticated information base in a network of 21 offices located in major business centers in North America and Europe.

To contribute to the knowledge of senior management, Heidrick and Struggles periodically publishes profiles on incumbents in key management posts. The firm is pleased to add this publication to others it produces to report trends of significance to directors and senior management.

Publications

A list of Heidrick and Struggles publications appears below. Copies and prices are available from the firm's Communications/Public Relations Department in Chicago.

United States

The Changing Board
A survey of chairmen and the boards they direct

Chief Executive Officer
Chief Financial Officer
Chief Information Officer
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About This Study

Heidrick and Struggles conducted this survey of chief human resources executives of *Fortune* 500 and *Fortune* Service 500 parent organizations to contribute to a better understanding of leadership positions. Members of our survey population head the human resources functions for 830 of the nation's largest industrial and non-industrial companies. Responses were received from 31.3 percent of the selected population.

Heidrick and Struggles is grateful to the participating chief human resources executives who took the time and effort necessary to make this study possible.

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Introduction

There is little doubt that human resources is achieving equality with other corporate functions. Historically, human resources decisions have played a subordinate role to other business judgments, such as profits, marketing, and sales. Today, organizations are being forced to recognize that people are a fundamental factor in corporate survival.

The chief human resources executive is the individual responsible for managing the new, progressive style of personnel management. Who are these people? Our survey of chief human resources executives of *Fortune* 500 and *Fortune* Service 500 parent organizations indicate they are experienced professionals. They have been with their companies an average of 14 years and top HR executive for the last five. Seventy-nine percent indicate their primary functional background is in human resources. Their compensation packages include an average annual base and bonus of $189,000 and stock options.

Even though these executives have years of experience behind them, the complexity of current human resources issues are pushing them to find new methods of managing their corporations' "human element." Employee substance abuse, benefits, AIDS, child-care, ESOPs, and employee turnover are just a few of the factors influencing HR policy changes.

More specifically, respondents report the average employee turnover rate is 17 percent. Ninety percent say their companies are utilizing tactics to decrease employee turnover. One-third perceive AIDS to be a problem in their workplace. Seven of ten believe substance abuse is a problem among employees within their organizations. To assist workers in dealing with these concerns, AIDS education programs and drug testing have been instituted by the majority of the participants' companies.

Organizations realize they have to offer incentives to keep their current employees. Eight of nine respondents report their company provides a pay-for-performance incentive to their employees. One-third also offer an Employee Stock Ownership Plan. And to accommodate the growing population of working women, 17 percent of the HR executives say their company provides day care for employees' children.

An even more dramatic influence on the workforce and the human resources function is the shrinking population of educated and qualified people. Seventy-nine percent of the participants believe the most important issue American companies will deal with during the next decade and beyond is not mergers, acquisitions, and foreign competition, but building and keeping a qualified workforce.

To do so, the chief human resources executive of tomorrow must balance the needs of workers with corporate goals. The major factors affecting their success—leadership ability, hard work, and "people" skills—will be even more crucial in achieving a stronger corporate America.

Ronald E. Gerevas
President and CEO
Heidrick and Struggles

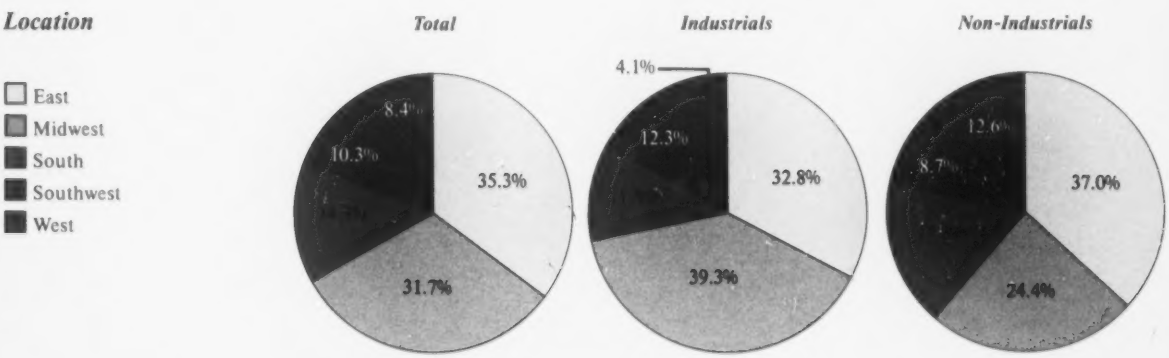
Highlights

- ☐ Respondents' annual cash compensation (base and bonus) averages $189,000.
- ☐ Employee turnover rate averages 17.4 percent.
- ☐ Two-fifths of the participants report their companies downsized 9 percent in 1988 and 37 percent plan to reduce staff another 9 percent in 1989.
- ☐ The ratio of human resources personnel to employees is 1:214. In our 1984 survey, the ratio was 1:329.
- ☐ Seven of ten participants believe substance abuse is a problem among employees of their organizations.
- ☐ Thirty-two percent feel AIDS is a problem in their workplace.
- ☐ Eighty-eight percent say their company offers a pay-for-performance incentive to the employees.
- ☐ Ninety-nine percent believe there should be a strong correlation between top executive pay and performance.

Company Type and Location

Chief human resources executives of non-industrial companies account for 50.2 percent of the respondents, while 49.8 percent are employed by industrial organizations. Two-thirds of the participants are located in the East or Midwest.

Location



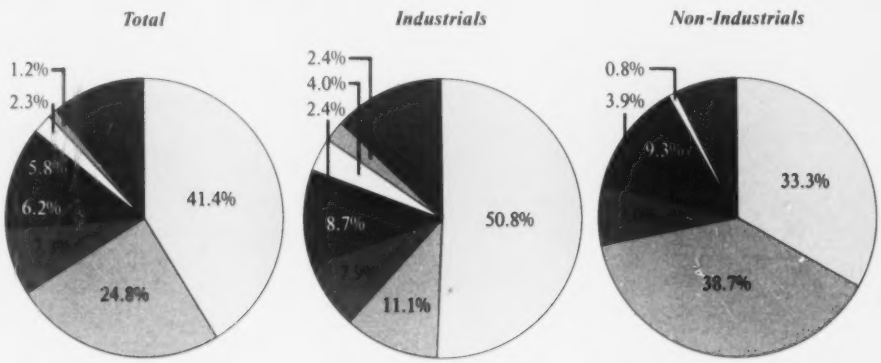
Title and Reporting Structure

Two of five of the respondents hold the "Vice President, Human Resources" title. One-quarter report having the "Executive or Senior Vice President, Human Resources" designation. In 1984, only 28 percent had the title of Vice President or higher.

Twenty-nine percent indicate reporting to the chairman and CEO. Another 14 percent specify they are direct reports of the CEO and president.

Title

- Vice President, Human Resources
- Executive/Senior Vice President, Human Resources
- Vice President, Personnel
- Director, Human Resources/Administration
- Executive/Senior Vice President, Personnel/Administration
- Vice President, Employee Relations
- Vice President, Administration
- Other



Cash Compensation

Average 1988 cash compensation (base and bonus) reported by responding chief human resources executives is $189,000. This figure is 35 percent higher than the average of $140,000 reported in our 1984 study.

When comparing geographical regions, participants located in the East receive the highest salary, $215,000. The highest compensated executives employed by non-industrial companies are those in utilities and telecommunications, averaging $203,000.

The average bonus received by participants is $56,000.

Total Cash Compensation (base and bonus)

				Geographic Regions				
	Total	*Industrials*	*Non-Industrials*	East	Midwest	South	Southwest	West
Less than $100,000	13.4%	9.2%	17.9%	8.6%	15.2%	10.0%	16.6%	23.5%
$100,000 - 124,999	14.6	15.0	14.6	9.9	16.4	25.0	29.1	5.9
$125,000 - 149,999	11.8	10.8	13.0	8.7	15.2	10.0	0.0	17.6
$150,000 - 174,999	15.8	15.8	16.3	16.0	13.9	20.0	25.0	11.9
$175,000 - 199,999	9.3	13.3	5.7	8.7	10.1	5.0	8.3	14.8
$200,000 - 224,999	10.2	12.5	8.1	13.6	12.7	10.0	4.2	2.9
$225,000 - 274,999	9.8	10.9	8.9	12.3	6.3	10.0	4.2	11.8
$275,000 - 349,999	6.1	2.5	8.9	7.4	5.1	10.0	4.2	2.9
$350,000 - 399,999	3.3	1.8	4.9	6.2	1.3	0.0	4.2	2.9
More than $399,999	5.7	8.2	1.7	8.6	3.8	0.0	4.2	5.8
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	$189,000	$196,000	$177,000	$215,000	$169,000	$175,000	$171,000	$182,000
1984 Mean	$140,000	$170,000	$111,000	$163,000	$136,000	$103,000	$134,000	$124,000

Perquisites

Stock options is the only perquisite awarded to the majority of participating chief human resources executives.

The prevalence of stock options, financial counseling, and performance shares received as perquisites has increased since 1984. However, the occurrence of deferred compensation, automobiles, extra life insurance, country and town club memberships, and low-cost loans has decreased in the last five years.

				Geographic Regions					
	Total 1989	*Industrials*	*Non-Industrials*	East	Midwest	South	Southwest	West	*1984*
Stock options	82.4%	85.7%	78.7%	82.8%	77.5%	76.2%	96.0%	88.6%	77.7%
Deferred compensation	46.5	46.8	46.5	40.2	46.3	52.4	36.0	60.0	50.7
Financial counseling	46.5	54.0	38.6	46.0	43.8	47.6	44.0	54.3	42.2
Automobile	45.3	46.8	44.1	34.5	52.5	38.1	32.0	62.9	50.7
Extra life insurance	44.1	46.0	42.5	44.8	40.0	33.3	44.0	54.3	47.9
Use of company planes	37.1	40.5	33.1	35.6	36.3	47.6	40.0	34.3	NA
First-class air travel	31.6	33.3	29.1	42.5	16.3	28.6	32.0	37.1	NA
Performance shares	27.7	27.8	26.8	32.2	26.2	38.1	8.0	22.9	24.8
Town club memberships	26.6	28.6	23.6	16.1	31.3	42.9	40.0	25.7	33.0
Country club memberships	23.0	26.2	19.7	13.8	30.0	23.8	28.0	20.0	24.1
Reimbursement of uninsured medical costs	14.5	15.9	13.4	14.9	8.8	9.5	16.0	25.7	NA
Legal counseling	13.7	19.8	7.9	12.6	12.5	19.0	8.0	17.1	NA
Low-cost loans	9.8	7.1	12.6	9.2	8.8	4.8	4.0	20.0	12.8
Restricted stock	5.5	4.8	6.3	4.6	7.5	0.0	12.0	2.9	NA
Physical exam	4.7	4.8	4.7	2.3	6.3	4.8	4.0	5.7	NA
Tax preparation	3.5	4.0	3.1	4.6	5.0	0.0	0.0	2.9	NA
Other	8.2	6.3	10.2	9.2	8.8	4.8	8.0	8.6	9.6
None	4.3	2.4	5.5	6.9	3.8	4.8	0.0	2.9	NA

Results do not add to 100% due to multiple responses.
NA: Not Available

Present Company

Participating chief human resources executives have been with their present companies an average of 13.6 years. Executives of industrial organizations with sales volumes of $2 billion or more report being with their present employers the longest, 17.4 years. Those from the health care industry indicate having the shortest tenure with their employers, 7.8 years.

In addition, respondents have held their current positions an average of 5.2 years. They have also spent an average of seven years as a chief human resources executive.

Years with Present Employer

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Less than 2	3.9%	3.2%	4.7%	0.0%	3.0%	7.3%
2–5	25.2	22.2	28.7	13.5	18.2	36.7
6–10	18.6	19.0	18.5	15.4	24.2	19.5
11–15	16.7	18.2	15.5	19.1	15.2	19.5
16–20	11.2	10.3	12.4	13.5	12.2	4.9
21–25	10.9	14.3	7.0	15.4	21.2	7.3
More than 25	13.5	12.8	13.2	23.1	6.0	4.8
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	13.6	13.9	12.9	17.4	13.7	9.8
1984 Mean	13.7	14.9	12.5	16.1	14.8	13.6

Years in Present Post

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Less than 2	14.4%	13.5%	15.6%	11.5%	12.1%	17.1%
2–3	32.2	34.1	31.3	28.8	33.3	41.5
4–5	22.6	19.0	25.8	26.9	12.1	14.6
6–10	19.5	21.4	16.4	21.2	27.4	17.1
11–15	8.2	9.5	7.0	9.7	12.1	7.3
More than 15	3.1	2.5	3.9	1.9	3.0	2.4
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	5.2	5.3	5.2	5.4	5.9	4.7
1984 Mean	5.8	6.5	5.0	7.0	5.6	6.5

Immediate Previous Position

Two-thirds of the respondents held a previous position with their present companies, while 35.5 percent joined their current organizations from another company.

Among those participants promoted from within their companies, Vice President, Human Resources/Personnel/Administration is the most commonly held title (17.7 percent). The similar designation of Vice President, Human Resources/Personnel was held by 27.6 percent of the respondents who came from other companies.

In addition, four of nine obtained their present positions by the initiative of the CEO. One-fifth were placed by an executive search firm.

Previous Position with Present Company	*Total*	*Industrials*	*Non-Industrials*
Vice President, Human Resources/ Personnel/Administration	17.7%	23.8%	10.9%
Vice President, Human Resources of Division or Subsidiary	10.9	14.3	5.5
Director, Human Resources/ Personnel/Administration	8.4	6.3	10.9
Other	63.0	55.6	72.7
	100.0%	100.0%	100.0%

Previous Position with Another Company	*Total*	*Industrials*	*Non-Industrials*
Vice President, Human Resources/Personnel	27.6%	29.0%	26.7%
Senior Vice President, Human Resources/Personnel/ Administration	14.5	9.7	17.8
Other	57.9	61.3	55.5
	100.0%	100.0%	100.0%

Annual Budget

Participants' average annual budget for the human resources function is $10,534,000. Chief human resources executives of non-industrial companies report their annual budgets are 55 percent higher than their industrial counterparts, $12,947,000 compared to $8,355,000. Respondents employed by diversified financial concerns have the largest budget, $26,965,000.

When comparing geographic regions, chief human resources executives located in the East have the largest budgets.

				Geographic Regions				
	Total	*Industrials*	*Non-Industrials*	East	Midwest	South	Southwest	West
Less than $1,000,000	10.7%	12.4%	9.1%	2.9%	12.5%	13.4%	26.3%	9.7%
$1,000,000-4,999,999	44.6	52.3	35.7	36.2	54.6	40.0	42.1	41.9
$5,000,000-9,999,999	18.6	16.2	21.4	21.7	18.7	33.2	10.5	12.9
$10,000,000-19,999,999	12.8	6.7	19.5	17.4	7.8	6.7	5.3	22.6
$20,000,000-49,999,999	8.8	7.6	10.2	14.4	3.2	6.7	10.5	9.7
More than $49,999,999	4.5	4.8	4.1	7.4	3.2	0.0	5.3	3.2
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	$10,534,000	$8,355,000	$12,947,000	$16,248,000	$7,010,000	$6,795,000	$9,772,000	$9,056,000

Downsizing and Human Resources Staff/ Employee Ratio

Two-fifths of the participating chief human resources executives report their companies downsized in 1988. Staff was reduced by an average of 9 percent.

Thirty-seven percent of the respondents also indicate their organizations plan on downsizing in 1989. They estimate staff will be trimmed by another 8.7 percent.

The average human resources staff member to employee ratio is 1:214. Non-industrial companies have smaller ratios than industrial organizations: 1:191 compared to 1:242.

The ratios from 1989 are considerably smaller than those found in our 1984 study. The most noticeable decrease is among industrial companies with sales volumes of $2 billion or more. The ratio decreased from 1:475 in 1984 to 1:252 in 1989.

Did your firm downsize in 1988?

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Yes	40.9%	35.2%	46.1%	46.2%	34.3%	22.0%
No	59.1	64.8	53.9	53.8	65.7	78.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

If yes, by what percent?

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
1–5	43.6%	40.5%	45.5%	47.5%	44.4%	14.2%
6–10	33.0	29.7	34.5	28.6	22.2	42.9
11–19	11.7	18.9	7.3	9.5	22.2	42.9
20–29	8.5	5.5	10.9	4.8	11.2	0.0
More than 29	3.2	5.4	1.8	9.6	0.0	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	9.0	9.5	8.7	9.5	9.4	9.9

Ratio of Human Resources Staff to Employees

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
1989	1:214	1:242	1:191	1:252	1:297	1:186
1984	1:329	1:348	1:311	1:475	1:316	1:212

Pay-For-Performance Incentives and ESOPs

Eight of nine respondents say their company offers a pay-for-performance incentive to their employees. The most common group of staff members to benefit from this incentive are the executives (70.7 percent). However, 29.3 percent indicate that all employees are eligible for this incentive.

One-third of the participants report their organization has an Employee Stock Ownership Plan (ESOP). The employees own an average of 13.8 percent of their companies.

Pay-for-Performance Incentive

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Yes	87.9%	90.4%	85.2%	92.0%	85.3%	92.7%
No	12.1	9.6	14.8	8.0	14.7	7.3
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Group of Employees to which Pay-for-Performance Incentive Applies

	Total	*Industrials*	*Non-Industrials*
Executives	70.7%	71.2%	70.4%
Middle Managers	63.5	64.9	62.0
White-collar Workers	33.3	34.2	32.4
All Employees	29.3	25.2	33.3
Clerical Workers	24.3	23.4	25.9
Blue-collar Workers	14.4	18.0	11.1
Other	7.7	6.3	9.3

Results do not add to 100% due to multiple responses.

Does your company have an Employee Stock Ownership Plan (ESOP)?

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Yes	32.3%	30.2%	34.4%	28.8%	31.4%	30.8%
No	67.7	69.8	65.6	71.2	68.6	69.2
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Employee Turnover

The average employee turnover rate (including both voluntary resignations and involuntary terminations) is 17.4 percent. Respondents employed by non-industrial companies report their average turnover rate is 23.6 percent, 13.1 percent higher than that of industrial organizations (10.5 percent).

Among the geographic regions, participants located in the Southwest report the highest average employee turnover figure, 21.9 percent. The lowest is found in the Midwest, 14.0 percent.

The average cost of each incidence of turnover is $18,000. Respondents working for industrial concerns report their firm spends $26,000 for each occurrence of employee turnover, compared to the reported $13,000 non-industrial companies spend on staff member turnover.

Ninety percent of the respondents report their companies use tactics to reduce employee turnover. The tactics utilized by the majority of the executives' organizations are exit interviews, employee assistance programs, incentive pay, wellness programs, attitude surveys, teambuilding sessions, and flex-time.

Employee Turnover Rate

				Geographic Regions				
	Total	*Industrials*	*Non-Industrials*	East	Midwest	South	Southwest	West
1–5 percent	22.0%	33.7%	12.0%	17.1%	28.8%	20.0%	23.9%	14.7%
6–10	30.9	44.2	17.9	35.5	31.8	10.0	38.1	32.4
11–15	13.0	9.6	16.2	10.5	13.6	25.0	9.5	8.8
16–20	10.3	3.8	16.2	17.1	7.6	20.0	0.0	2.9
More than 20 percent	23.8	8.7	37.7	19.8	18.2	25.0	28.5	41.2
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	17.4	10.5	23.6	17.9	14.0	20.5	21.9	19.4

Child Care

Seventeen percent of the participants report their companies offer a child care program for the employees' children. Thirty percent indicate the facility is on-site. Of those companies offering child care, the programs have been in effect for an average of three years. The average employee cost is $1.87 per hour.

Of those respondents whose organizations do not offer child care, one-quarter report their companies plan to do so within the next two years.

Child Care Offered

				Geographic Regions				
	Total	*Industrials*	*Non-Industrials*	East	Midwest	South	Southwest	West
Yes	16.5%	16.9%	16.5%	23.3%	7.5%	35.0%	20.8%	5.6%
No	83.5	83.1	83.5	76.7	92.5	65.0	79.2	94.4
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Parental Leave

The maximum amount of paid leave of absence mothers can take prior to and after childbirth averages 10 weeks. Three percent of the respondents' companies do not offer paid leave to new mothers.

Twenty-two percent of the participants report their organizations provide paid leave to new fathers. The average amount of time given is three weeks.

Maximum Paid Leave for Mothers

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Zero weeks	3.2%	2.9%	2.4%	4.2%	0.0%	4.8%
1–5	3.2	5.9	1.2	8.3	8.7	0.0
6–7	36.4	41.2	33.3	41.6	39.1	42.8
8–9	22.1	17.6	25.0	12.5	21.7	19.0
10–11	4.6	4.4	4.8	4.2	4.4	4.8
12–13	12.3	8.8	15.5	8.3	13.0	4.8
14–19	7.8	5.9	9.5	12.5	4.4	0.0
More than 19 weeks	10.4	13.3	8.3	8.4	8.7	23.8
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	10.0	10.0	10.1	9.3	9.5	11.4

AIDS and Drug Abuse

One-third of the respondents perceive AIDS to be a problem in their workplace. When comparing the service categories, human resources executives of retail firms appear to be the most concerned about AIDS, with 77 percent agreeing there is an AIDS problem.

Two-thirds of the participants report their organization offers an AIDS education program for employees and management.

Seven of ten participants believe substance abuse is a problem among employees within their organization. Eighty percent of the executives in the West are concerned about substance abuse, while 52 percent of the respondents in the South are not.

Sixty-four percent say their companies test applicants for drug or alcohol abuse. Those employed by industrial organizations are almost twice as likely to test for substance abuse than non-industrial companies (82.4 percent compared to 44.5 percent).

Of those organizations that do not test for substance abuse, 34 percent of the participants say their company plans to begin testing within the next two years.

Seventy-one percent of the chief human resources executives report their company has tested employees for drug or alcohol abuse.

Do you perceive AIDS to be a problem in your workplace?

				Geographic Regions				
	Total	*Industrials*	*Non-Industrials*	East	Midwest	South	Southwest	West
Yes	32.3%	26.4%	38.6%	31.8%	26.9%	28.6%	41.7%	36.1%
No	67.7	73.6	61.4	68.2	73.1	71.4	58.3	63.9
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Does your organization test applicants for drug or alcohol abuse?

				Geographic Regions				
	Total	*Industrials*	*Non-Industrials*	East	Midwest	South	Southwest	West
Yes	63.7%	82.4%	44.5%	65.5%	70.9%	38.1%	68.0%	50.0%
No	36.3	17.6	55.5	34.5	29.1	61.9	32.0	50.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Employee Relocation

Respondents' companies have relocated an average of 2.8 percent of their employees in the last year. Participants located in the West report the highest rate of employee relocation, 3.3 percent. The lowest figure is found in the South, with an average 2.0 percent employee relocation.

An average of $3,226,000 is spent on employee relocation. Industrial organizations spend almost twice as much on employee relocation than their non-industrial counterparts.

Fifty-three percent of the participants indicate their companies have a specific budget for relocation costs and services.

Relocation Costs

				Geographic Regions				
	Total	*Industrials*	*Non-Industrials*	East	Midwest	South	Southwest	West
Less than $150,000	12.8%	11.8%	13.8%	12.1%	11.4%	11.1%	27.3%	5.6%
$150,000-499,999	20.2	15.7	24.1	15.1	17.1	11.1	9.1	44.3
$500,000-999,999	13.8	17.6	10.3	9.1	17.1	11.1	27.3	11.1
$1,000,000-1,999,999	14.7	11.8	17.2	12.1	17.1	33.3	9.1	11.1
$2,000,000-4,999,999	21.1	19.5	22.4	18.2	28.6	22.3	18.1	16.7
$5,000,000-9,999,999	10.1	11.8	8.6	18.2	5.8	11.1	9.1	5.6
More than $9,999,999	7.3	11.8	3.6	15.2	2.9	0.0	0.0	5.6
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	$3,226,000	$4,288,000	$2,303,000	$6,323,000	$1,601,000	$1,883,000	$1,400,000	$1,500,000

Employee Benefits

At least 92 percent of the respondents report their organizations offer group health insurance, group life insurance, long-term disability insurance, a dental plan, and accidental death and disability insurance as benefits to its employees.

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1-1.9B	Less than $1B
Group health insurance	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Group life insurance	98.1	96.8	99.2	98.0	97.1	95.1
Long-term disability insurance	98.1	98.4	97.7	98.0	100.0	97.6
Dental plan	93.8	91.3	96.1	96.0	94.3	82.9
Accidental death and disability insurance	92.2	95.2	89.1	92.0	97.1	97.6
HMO option	89.9	91.3	88.4	92.0	91.4	90.2
Short-term disability insurance	80.6	84.1	76.7	80.0	88.6	85.4
Defined benefit plan	79.8	79.4	79.8	88.0	71.4	75.6
Employee assistance plan	79.5	80.2	78.3	90.0	88.6	61.0
Defined contribution plan	73.6	79.4	69.0	70.0	85.7	85.4
Prescription drug plan	63.6	64.3	62.0	68.0	65.7	58.5
Health/wellness education	63.2	58.7	66.7	76.0	51.4	43.9
Pre-retirement planning seminars	52.3	50.8	52.7	78.0	31.4	34.1
Flex-time	50.8	50.0	50.4	70.0	42.9	31.7
PPO option	43.8	44.4	41.9	52.0	48.6	31.7
Vision care plan	33.7	33.3	32.6	40.0	31.4	26.8
Employer-sponsored child day care	15.5	17.5	14.0	22.0	20.0	9.8
Elderly care	5.8	7.1	4.7	10.0	5.7	4.9

Results do not add to 100% due to multiple responses.

Human Resources Models

Three-quarters of the respondents say the most appropriate model to describe their human resources department's activities is the Managerial model. Twenty-three percent of those human resources executives in the retail industry report the Humanistic model best represents their departments' activities.

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Managerial: HR managers understand and work within the bottom-line, productivity-oriented framework of line managers. They suggest managerial solutions to problems.	74.1%	73.7%	74.8%	80.4%	73.5%	65.7%
Humanistic: HR exists to develop and foster human values and potential in an organization.	7.8	9.3	6.5	8.7	11.8	7.9
Behavioral Science: Behavioral sciences such as psychology and organizational behavior form the basis of HR activities (such as performance appraisal, reward system design, work design, and survey feedback techniques).	6.6	5.9	6.5	6.5	5.9	5.3
Financial: Most of the HR function is administering nondirect compensation costs, such as medical insurance, pensions, life insurance, vacations, and other benefits.	6.2	5.9	6.5	2.2	2.9	13.2
Legal: The HR operation draws strength from its expertise in legal areas, such as contract negotiations, labor relations, etc.	3.7	5.2	2.4	2.2	5.9	7.9
Clerical: The HR function's primary role is to acquire and maintain reports, data, records, and to perform routine tasks.	1.6	0.0	3.3	0.0	0.0	0.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: "Where is HR Management Going?" by M.J. Driver, R.E. Coffey and D.E. Bowen, Personnel, *January 1988.*

Critical Issues

Controlling employee benefits programs costs, building and keeping a qualified workforce, upgrading management training and development programs, compensation planning and administration, and management succession are the five most critical issues facing responding chief human resources executives.

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1-1.9B	Less than $1B
Controlling employee benefits program costs	78.8%	82.1%	75.2%	82.0%	87.9%	77.5%
Building and keeping a qualified workforce	73.3	70.7	75.2	74.0	75.8	62.5
Upgrading management training and development programs	51.8	54.5	49.6	68.0	36.4	52.5
Compensation planning and administration	50.6	44.7	55.8	44.0	39.4	50.0
Management succession	49.8	52.8	46.5	56.0	51.5	50.0
Employee communications	47.5	56.1	40.3	48.0	51.5	70.0
Promotional opportunities for female and minority employees	21.2	22.8	19.4	42.0	9.1	10.0
Improving employee morale	20.4	17.9	23.3	20.0	12.1	20.0
Recruitment of mid-level and senior management talent	19.6	19.5	20.2	8.0	27.3	27.5
Union/organization relations	18.0	22.8	13.2	22.0	27.3	20.0
Reducing employee turnover	13.7	3.3	24.0	2.0	9.1	0.0
Human resources information systems	11.8	10.6	13.2	4.0	12.1	17.5
Improvements to employee benefits program	9.4	8.9	10.1	6.0	12.1	10.0
Compliance with OSHA/EEOC and other governmental regulations	8.6	12.2	5.4	8.0	21.2	10.0
Employee substance abuse	6.3	7.3	5.4	0.0	12.1	12.5
Administering health and accident prevention programs	4.7	2.4	6.2	2.0	3.0	2.5
Other	8.2	5.7	10.1	6.0	3.0	7.5

Results do not add to 100% due to multiple responses.

Hours Devoted to Business

Responding chief human resources executives devote an average of 57.6 hours weekly to business. Executives employed by industrial companies with sales volumes of $2 billion or more spend the most time on business, 60.5 hours.

Participants also dedicate an average of 17.6 hours to business meetings each week and spend 5.1 hours preparing for them. Eight of nine rate the quality of time spent in meetings as "productive."

Business Hours

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Less than 50	6.3%	7.3%	5.5%	2.0%	0.0%	19.5%
50–54	20.0	19.4	21.1	11.8	25.0	24.4
55–59	24.3	21.8	27.3	15.7	37.5	17.2
60–64	30.5	35.4	25.0	39.1	34.4	31.7
65–69	10.2	8.9	11.7	17.6	3.1	2.4
More than 69	8.7	7.2	9.4	13.8	0.0	4.8
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	57.6	57.6	57.3	60.5	56.2	55.2

Hours Spent in Business Meetings

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Less than 10	16.4%	15.7%	17.5%	6.3%	24.4%	20.0%
10–14	16.4	24.0	8.7	20.8	21.2	30.0
15–19	22.8	19.0	26.1	10.4	24.2	25.0
20–24	18.8	19.8	17.5	29.1	24.2	5.0
25–29	9.6	7.5	11.9	6.3	3.0	12.5
More than 29	16.0	14.0	18.3	27.1	3.0	7.5
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	17.6	16.7	18.4	20.0	17.4	15.4

Direct Reports

The majority of respondents say compensation, benefits administration, training and development, equal opportunity administration, executive recruitment and selection, and college recruitment and selection are the departments and functions that report directly to them.

The average number of employees reporting directly to the chief human resources executive is 7.

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Compensation	87.9%	88.3%	88.8%	91.3%	84.8%	87.8%
Benefits administration	79.4	74.2	85.6	78.3	66.7	75.6
Training and development	78.6	77.5	80.8	80.4	75.8	75.6
Equal opportunity administration	77.8	77.5	79.2	73.9	75.8	82.9
Executive recruitment and selection	77.0	77.5	77.6	80.4	75.8	75.6
College recruitment and selection	66.9	68.3	66.4	69.6	63.6	70.7
Industrial relations	49.6	56.7	43.2	50.0	63.6	58.5
Labor relations	47.2	58.3	36.8	52.2	66.7	58.5
Management-employee communications	46.0	46.7	46.4	43.5	45.5	51.2
Safety and health	33.5	37.5	29.6	39.1	39.4	34.1
All of the above	16.1	20.0	11.2	15.2	15.2	29.3

Results do not add to 100% due to multiple responses.

Number of Full-Time Employers and Geographic Relocations

Respondents have had an average of three full-time employers thus far in their careers and have geographically relocated an average of four times.

Full-Time Employers

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
One	15.7%	16.1%	14.8%	28.0%	3.0%	12.2%
Two	20.0	15.3	23.4	20.0	9.1	14.6
Three	24.6	25.0	25.0	24.0	30.3	22.0
Four	21.6	25.0	18.8	18.0	30.3	29.3
Five	11.0	10.5	11.7	8.0	6.1	17.1
More than five	7.1	8.1	6.3	2.0	21.2	4.8
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	3.2	3.3	3.2	2.6	4.0	3.5

Geographic Relocations

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
One	15.0%	13.6%	17.0%	13.3%	7.4%	18.3%
Two	16.9	11.8	22.2	15.6	3.8	13.2
Three	21.3	23.6	18.1	20.0	22.2	28.8
Four	13.5	10.9	16.0	8.9	22.2	5.3
Five	10.1	10.9	9.6	8.9	11.1	13.2
Six	4.3	7.3	1.1	6.7	11.1	5.3
More than six	18.9	21.9	16.0	26.6	22.2	15.9
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	3.5	4.1	3.1	4.3	4.3	3.6

Leisure and Vacation Time

Three of five respondents feel they have sufficient time to spend with their families. However, 56 percent report they do not have enough time to pursue outside interests.

The average amount of vacation time allocated is four weeks, but three-quarters took three weeks or less.

Do you have sufficient time to spend with:

Family

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Yes	59.8%	65.0%	53.9%	60.0%	60.6%	75.0%
No	40.2	35.0	46.1	40.0	39.4	25.0
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Outside Interests

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Yes	43.7%	48.4%	40.3%	44.0%	50.0%	52.5%
No	56.3	51.6	59.7	56.0	50.0	47.5
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Weeks of Vacation Taken

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Less than two	12.2%	8.9%	15.5%	6.2%	9.1%	12.2%
Two	29.7	33.3	24.8	24.5	36.4	41.4
Three	32.2	31.7	33.3	36.7	36.4	22.0
Four	21.2	19.5	23.3	20.4	18.1	19.5
More than four	4.7	6.6	3.1	12.2	0.0	4.9
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	2.7	2.8	2.7	3.1	2.6	2.6

Personal

The typical chief human resources executive is a 48-year-old white Protestant male who is married to his first spouse. Fifty-four percent have an advanced degree.

Seven of nine respondents come from a human resources background.

Highest Educational Attainment

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Bachelor's degree	43.3%	49.6%	38.2%	47.8%	53.1%	48.8%
M.B.A.	30.2	26.1	34.1	34.8	15.6	24.4
J.D./LL.B.	9.8	8.4	9.8	8.7	15.6	2.4
Other Master's degree	7.8	5.0	10.6	2.2	3.1	9.8
M.A./M.S. Industrial Relations/Personnel	4.9	8.4	1.6	6.5	9.5	9.8
High school diploma	2.4	0.8	4.1	0.0	0.0	2.4
Doctorate	1.6	1.7	1.6	0.0	3.1	2.4
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Success Factors

According to the participants, the top three factors influencing their success are leadership ability, hard work, and "people" skills.

				Industrials by Size		
	Total	*Industrials*	*Non-Industrials*	$2B or More	$1–1.9B	Less than $1B
Leadership ability	51.3%	53.7%	49.1%	56.9%	53.3%	50.0%
Hard work	50.4	47.9	52.6	51.0	33.3	55.0
"People" skills	40.3	43.0	37.9	37.3	50.0	45.0
Intelligence	31.9	32.2	31.9	39.2	30.0	25.0
Credibility	30.7	27.3	34.5	33.3	30.0	17.5
Record of success	26.1	27.3	24.1	29.4	33.3	20.0
Communications skills	23.5	26.4	20.7	21.6	26.7	32.5
Supportive superiors	16.4	14.0	19.0	7.8	16.7	20.0
Management know-how	11.8	14.0	9.5	13.7	20.0	10.0
Administrative abilities	11.8	8.3	15.5	3.9	10.0	12.5
Timing	8.0	6.6	8.6	5.9	10.0	5.0
Educational credentials	5.0	4.1	6.0	3.9	6.7	2.5
Luck	4.6	4.1	5.2	5.9	0.0	5.0
Other	2.5	2.5	2.6	0.0	0.0	7.5

Results do not add to 100% due to multiple responses.

Issues

■ Agree
■ Disagree
□ No Opinion

There should be a strong correlation between top executive pay and performance.
99.2%
0.8%
An employee's right to privacy should not deter his/her employer from testing for drug or alcohol abuse.
81.0%
1.9%
The most important issue American companies will deal with during the next decade and beyond is not mergers, acquisitions, and foreign competition, but building and keeping a qualified workforce.
79.2%
3.9%
Instituting an Employee Stock Ownership Plan (ESOP) is one of the best options to deter takeover threats.
33.9%
25.3%
Using medical and/or honesty testing to select efficient, honest employees outweighs privacy concerns.
30.9%
13.3%
"Executive temps" are ideal for assisting companies in short-term crises.
29.0%
34.1%
A formalized "mommy track" will create mediocrity in working women rather than a strong work ethic.
23.4%
29.4%
The Senate Labor and Human Resources Committee's current approval of a bill mandating most employers to grant unpaid leave to parents of newborns will help ease the pressure on women who feel they have to choose between the "mommy track" and the career track.
18.6%
8.5%

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For more than 36 years, Heidrick and Struggles has devoted its full resources and capabilities to providing superior executive search services worldwide. Client organizations within every one of the world's major industries retain Heidrick and Struggles to identify, evaluate, and attract high caliber executive talent for specific opportunities within middle and top management, and on boards of directors. One of the best known and most experienced in executive selection, the firm comprises more than 150 professionals, supported by a sophisticated information base in a network of 24 offices located in major business centers worldwide.

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A list of Heidrick and Struggles publications appears below. Copies and prices are available from the firm's Communications/Public Relations Department in Chicago.

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